

# **CITY OF DANIA BEACH FLORIDA**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2015**

# City of Dania Beach Florida



Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2015  
Prepared by the Finance Department

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CITY OF DANIA BEACH, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2015

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# *City of Dania Beach*

## Florida

May 20, 2016

Mayor and Commission  
City of Dania Beach  
Dania Beach, FL 33004

Honorable Mayor and City Commissioners:

The Comprehensive Annual Financial Report of the City of Dania Beach ("City") for the fiscal year ending September 30, 2015 is hereby submitted in compliance with the City Charter and Florida Statutes. The City is required to provide annually a report on its financial position and activities that is audited by an independent firm of certified public accountants. All disclosures necessary to enable the reader to gain an understanding of the City of Dania Beach's activities have been included.

This report consists of management's representations concerning the finances of Dania Beach. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Dania Beach has established a comprehensive internal control framework that is designed to protect government assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with Generally Accepted Accounting Principles in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Dania Beach's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City of Dania Beach.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

The City's independent auditors, HCT Certified Public Accountants & Consultants, LLC, a firm of licensed certified public accountants, has audited the City's financial statements and has issued an unqualified opinion on the financial statements as presented herein. The independent auditors' report is presented as the first component of the financial section of this report.

### **PROFILE OF THE GOVERNMENT**

The City of Dania Beach was incorporated in 1904 as Broward's first city. The City is located immediately south of the Fort Lauderdale-Hollywood International Airport, Port Everglades, and the Broward County Convention Center. Dania Beach operates under a Commission-City Manager form of government and provides services to an estimated 30,000 residents. Five Commission Members are elected at large on a non-partisan basis for four-year terms. The candidate with the highest number of votes will serve as the Mayor. The Commission appoints the City Manager, who is the Chief Administrative Officer of the City and is responsible for implementing policies adopted by the City Commission. The City Commission determines policy, adopts legislation, approves the City's budget, levies taxes, and sets fees.

Dania Beach is a major player in South Florida's academic, marine, and tourism industries. The American Maritime Officer's Training and the Simulation Training Assessment & Research Center for maritime ship



licensing is located within the City's boundary, with state of the art bridge and engine room simulators which offer advanced merchant marine training. Bass Pro Shops, Diver's Direct, and the City's newly renovated Dania Beach Marina are major attraction the City for people interested in outdoor sports, boating, and fishing.

The City provides a full range of municipal services. The public safety program includes contracting of fire and rescue services and police services from the Broward County Sheriff's Office. The City's extensive recreation program includes a beach and fishing pier, pools, tennis courts, neighborhood parks, community centers and also provides a wide variety of programs for youth, adult and senior citizens. The Public Services Department provides essential street maintenance, roadway beautification, and general service operations, oversees Community Development Block grants improvement projects. Public Services oversees operation of the City's water, sewer and stormwater services and also provides internal support for grounds maintenance, fleet management and citywide building maintenance. The Community Development Department provides planning, zoning, building inspection, and code compliance to the public.

Internal support services includes the Department of Human Resources which is responsible for recruitment, compensation and benefits, employee relations, workers compensation, property, casualty and liability insurance. The Finance Department handles all of the City's debt management, billing and collections as well as annual budget planning and preparation, computer network and support, management financial reporting, property lien research, cash management, capital assets recording, payroll and water and sewer utility billings and collections, annual budget and annual audit reporting, the City's business tax licensing, and water meter reading and basic residential water meter services.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective in which the City of Dania Beach operates. The City of Dania Beach is located in Southeastern Broward County on the Atlantic Ocean with the City of Hollywood to the south and the City of Fort Lauderdale to the North. Major economic influences in this area are predominantly the housing market (including home values, insurance, property taxes, and mortgage interest rates), travel and tourism (airport, seaport / cruising, Interstate and Turnpike access), the regional job market, new construction, weather events and uncertainty about revenue diversification and tax reform. In 2015, the Consumer Price Index relatively level when compared to 2014 and this trend is expected to continue in 2016. Consideration of these economic indicators plays an important role in directing and prioritizing the use of City resources now and in the future.

In 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. Future property tax revenue growth is limited to the annual growth rate of per capita personal income, which has been minimal, plus the value of new construction. The lingering impacts of the National recession and declines in property values resulted in a decline in annual tax revenue as well as new construction revenues over the past several years. Development and values are only now seeing an increase over the past year.

According to the Broward County Property Appraiser office, the taxable value of the City for fiscal year 2015 increased 7.49% compared to fiscal year 2014 – indicating the City is slowly beginning to rebound from the previous downturn in the economy. As in other cities, Dania Beach has experienced many home foreclosures and delays in property development. Current economic forecasts indicate property values are expected to slowly increase over the next few years. It is important to note that while values are slowly increasing the City has yet to return to the property values reflected in 2008 at the beginning of the economic downturn.

With the airport expansion complete, the City has seen declining property values in adjacent commercial properties and established neighborhoods which provide water access to the ocean. Besides the personal loss that may be experienced by homeowners and businesses adjacent to the airport expansion, the City has faced a significant reduction in its tax base and annual service revenues as a direct consequence of the airport expansion on nearby property. It is expected this decline should taper off over the next few years and will hopefully be offset with new development in other areas of the city.

In 2004, the State of Florida and Broward County passed a referendum for the operation of slot machines in four pari-mutuel sites, one of which, Dania Jai Alai is located in the City of Dania Beach. One of the nation's biggest gaming entertainment corporations purchased the property with plans to construct a casino. Plans for construction at the property are currently underway. Completion of the first stage of construction was near

completion by the end of 2015. Once the facility is re-opened additional revenues are expected for the slot machine gaming area.

In 2010, the Florida Legislature approved a compact with the Seminole Tribe of Florida, Inc. authorizing blackjack and other card games at five Seminole casinos, including the Hollywood Hard Rock which sits adjacent to our City boarder. On an annual basis, the City will receive a small portion of the net earnings attributed to the Hard Rock casino. Distributions are received annually in March/April based on the previous year's annual earnings through September 30<sup>th</sup>.

In March of 2008, the City engaged the first Community Redevelopment Director who reports directly to the CRA Board/City Commission. The Commission's goal is to revitalize areas running parallel to US1 and its adjacent neighborhoods. The CRA and the City of Dania Beach are continuing their efforts to attract new businesses, new developments and increase property values while at the same time respecting the historic character of Dania Beach, the County's first incorporated City. The Commission and the CRA successfully expanded the CRA boundaries with approval by the Broward County Commission in 2010. With this expansion the CRA expanded its revitalization efforts.

## **LONG-TERM FINANCIAL PLANNING**

The City has been working diligently on an array of capital projects that encompass 1) economic development, 2) infrastructure improvement / replacement and 3) facility expansion. The number and magnitude of City capital projects reached a peak in 2013 and will continue in a modest amount in the upcoming fiscal year. Most City capital projects are being financed by the use of accumulated fund balance cash; however the City's large utility infrastructure improvements have primarily used loans from the State Department of Environmental Protection – State Revolving Fund (SRF loans). The Commission has adopted a Debt Policy to help provide guidance regarding the prudent use of debt and the reasonable total amount of debt to help ensure the City's continued financial stability in future years.

During the past year, the City has undertaken several projects including the following:

- Renovation of Lime Softening Water Plant using loan financing and accumulated net assets
- Citywide solar lighting using General Fund balances and Community Development Block Grant funding
- Stormwater drainage improvements soon to be under construction using a combination of accumulated fund balance and SRF loan financing
- Marina improvements using General Fund balances, grant funding and bank loan
- Various neighborhood OASIS beautification projects using General Fund revenues and Community Development Block Grant funding
- Redevelopment of the City's beach area using General Fund balances

## **RELEVANT FINANCIAL POLICIES**

The City of Dania Beach budgetary and financial policies provide the basic framework for the overall fiscal management of the City. The main policies consist of the revenue, cash management and investments, debt, and fund balance policies. These policies are used in the development of current activities and planning for future programs.

### Revenue Policy

The City will attempt to maintain a diversified and stable revenue system to avoid reliance on any one revenue source and will attempt to minimize the dependence on property taxes. Charges for services are used to recover partial or full cost of providing services that benefit individual users. Additionally, it is the City's intent that new ongoing operating costs are funded with permanent, ongoing revenue sources, although several of the City's roadway and neighborhood improvements may cause maintenance costs to increase in coming years. One time operating costs are tied to one-time revenue sources to ensure fund balance integrity.

### Cash Management and Investments Policy

The City follows its adopted investment policy when handling public funds. The intent of this policy is to 1) ensure the preservation of principal, 2) maintain sufficient cash flow to enable the City to meet its obligations, and 3) maximize the return on assets with an acceptably low exposure to risk. The investment policy meets the requirements of Florida Statutes, section 218.415.

Cash temporarily idle during the year was primarily invested in the Local Government Surplus Funds Trust Fund and the Florida Municipal Investment Trust. Changes in fair market value are temporary as the City intends to hold all investments to maturity.

#### Debt Policy

The City seeks to maintain the highest bond rating to minimize borrowing costs. Debt is issued when necessary to finance capital projects, but is never used for current operations. The City reviews and evaluates its existing obligations and future borrowing needs regularly. During fiscal year 2014 City Business-type Funds added approximately \$1.0 million of additional loans under the State Revolving Fund (SRF) program with proceeds primarily used for improvements to the water plant.

#### Fund Balance Policy

The City adopted a fund balance policy for the City's General fund establishing 20% of annual budgeted expenditures as a minimum unassigned fund balance to maintain. This minimum balance was established to help Dania Beach provide sufficient cash flow for its monthly financial needs, secure and maintain competitive market-based borrowing rates, help offset significant economic downturns or revenue shortfalls, and provide funds for unforeseen emergency expenditures. The City Commission has placed several commitments and assignments using the General Fund to provide resources for an array of items including 1) health insurance claims, 2) capital projects, 3) emergency disaster recovery, and 4) increased annual pension funding.

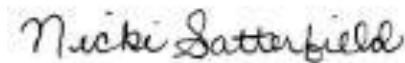
### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dania Beach for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014. This was the twenty sixth consecutive year (fiscal years 1988-2014) that the government has received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that the September 30, 2015, Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

A Comprehensive Annual Financial Report of this nature could not have been prepared without the dedicated efforts of the entire staff of the Finance Department. A special note of thanks is extended to the auditing firm HCT Certified Public Accountants & Consultants, LLC for the professional approach in conducting the independent audit of the City's financial records and transactions and also individually to Adam Segal, Assistant Finance Director and Yeimy Guzman, Controller who worked tirelessly with our auditors in the preparation of this report. Credit and thanks is also given to the City Manager, Mayor and Commission for their support in providing needed resources for this report's preparation and for maintaining high standards of professionalism in the oversight and administration of the City of Dania Beach's finances.

Respectfully submitted,



Nicki Satterfield  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Dania Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

## **DANIA BEACH CITY OFFICIALS**

### **CITY COMMISSION**

Mayor: Marco A. Salvino, Sr.

Vice Mayor: Albert C. Jones

Commissioner: Bobbie H. Grace

Commissioner: Chickie Brandimarte

Commissioner: Walter B. Duke, III

### **CITY MANAGER**

Robert Baldwin

### **FINANCE DIRECTOR**

Nicki Satterfield

### **ASSISTANT FINANCE DIRECTOR**

Adam Segal CPA, FCCA, CFE

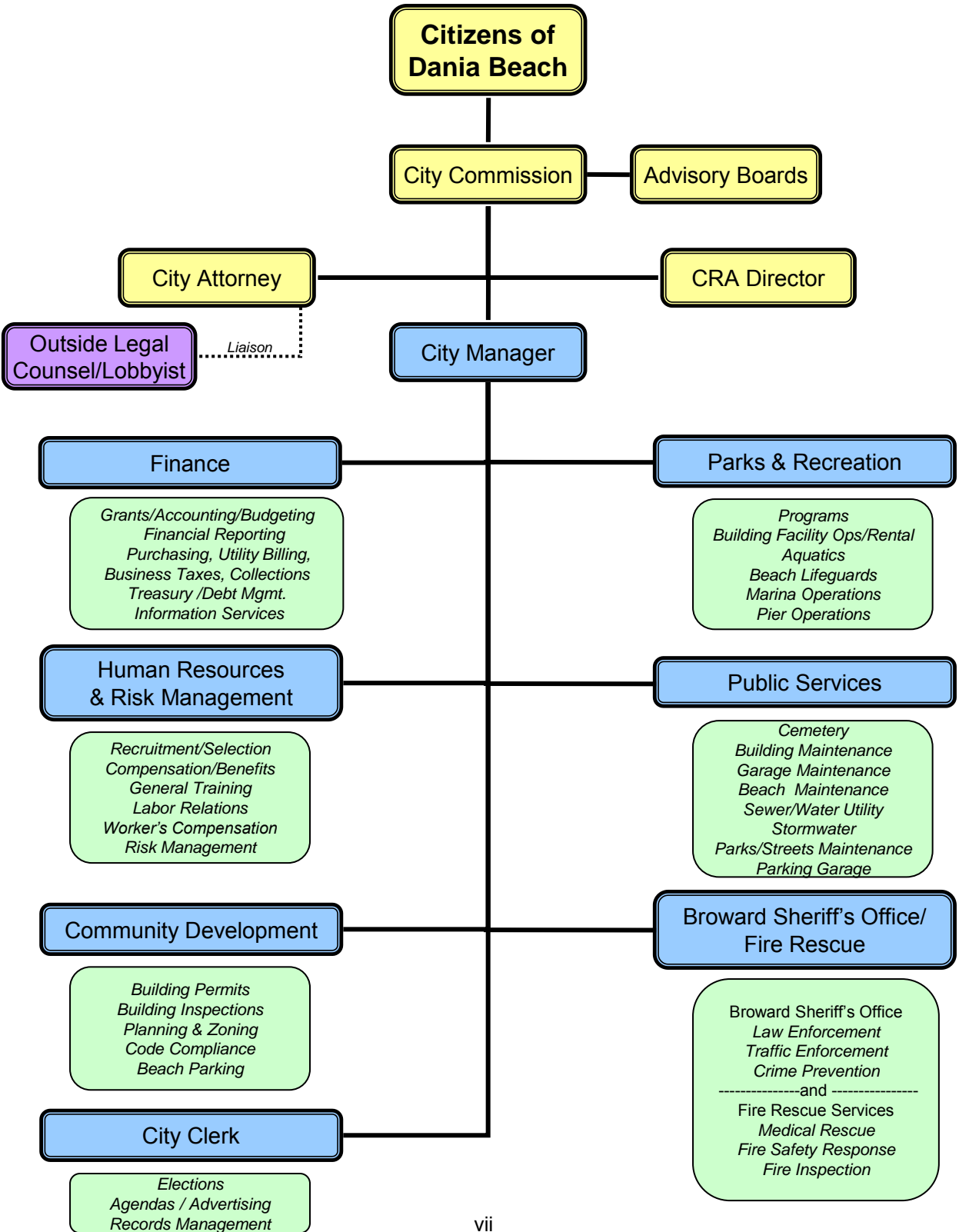
### **CONTROLLER**

Yeimy Guzman

### **CITY AUDITORS**

HCT Certified Public Accountants & Consultants, LLC

# City of Dania Beach Organizational Chart



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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Commission  
City of Dania Beach, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dania Beach, Florida (the City) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Fund for Police Officers and Firefighters, which represent 56, 56, and 81 percent, respectively, of the assets, net position, and additions of the fiduciary funds. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension trust Fund for Police Officers and Firefighters, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of a Matter**

As described in Notes 1 and 13 to the financial statements, the City changed its methods of accounting and financial reporting for pensions as a result of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB No. 68*, both effective October 1, 2014, which resulted in the City restating net position for recognition of the City pension related activity prior to October 1, 2014. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and Pension related Schedules on pages 5–20 and 84-98 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit based on the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
May 20, 2016

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CITY OF DANIA BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2015

The City of Dania Beach's financial statements are designed to provide the readers of the financial statements easy to understand information and analysis of the City's financial activities based on currently known facts, decisions and conditions. This section is specifically designed to assist the reader in focusing on significant financial issues, changes in the City's financial position and material deviations from the approved budget and also to identify each individual funds issues and concerns. We encourage the reader to consider the information presented here in conjunction with the information provided in the letter of transmittal which can be found at the beginning of this report.

## **FINANCIAL HIGHLIGHTS**

The City-wide assets plus deferred outflows of resources exceeded liabilities at the close of fiscal year 2015 by approximately \$90.3m (net position) reflecting an increase of 6.9m over the prior year. Of this total amount, \$24.1m (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net position increased by \$6.9m which includes a prior period adjustment that reduced beginning net position by \$28.6m and affected governmental and business-type activities and was a result of primarily the implementation of *GASB Statement No. 68 Accounting and Financial Reporting for Pension - an amendment of GASB Statement No. 27* and *GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. This adjustment is further explained in footnote 13 to these financial statements. The net increase before the prior period adjustment is attributable to the performance of the City's business type activities of \$6.8m, especially in water, sewer and stormwater.

The City's business type activities reported total net position of \$45m, which is an increase of \$3.5m, after prior period adjustments, or 7.8%, in comparison to the prior year. Approximately 40% of the total or \$17.9m is unrestricted and is available for spending at the City's discretion.

At the close of fiscal year 2015, the City's governmental funds reported a combined ending fund balance of approximately \$34.1m which includes the General Fund, Capital Projects Fund, Grants Fund, CRA, Debt Service Fund and other governmental funds. This balance represents an increase of \$4.1m from the prior year due primarily to the proceeds from long term debt of \$5.4m and an increase in net transfers in from proprietary funds. The General Fund provides cash advance fund for awards of the Grants Fund and these two funds have a combined unassigned fund balance of \$20.3m available for spending at the City's discretion or roughly 52% of the annual General Fund budget; being comprised of a positive \$20.4m General Fund amount and a deficit (\$0.1m) Grants Fund amount. This combined unassigned fund balance is \$3.3m more than the prior year including the Grant Fund deficit and was positively impacted by increasing net transfers from enterprise funds. Outstanding grant award projects are predominantly for major construction projects which provide future reimbursements after costs have been incurred and paid by the City. The General Fund assigned and unassigned fund balances totals \$23.1m, net of the Grant Fund deficit. The \$5.1m fund balance in the Capital Projects Fund is planned to be used entirely for approved governmental capital improvements. Similarly, the \$1.7m fund balance of the CRA Fund is planned for future economic and business development uses.

The General Fund reported an operating surplus for budgetary purposes of \$2.3m for fiscal year 2015, before transfers and other financing sources. General Fund revenue sources were \$40.8m reflecting a positive variance of \$1.6m from the budget plan due to small increases in most revenue streams collected. Expenditures for the year were \$38.5m before transfers and other financing sources, reflecting a positive variance of \$3.3m from the budget plan, primarily due to savings on public safety and highways and streets. Net transfers were used primarily for funding of capital projects, debt repayments, allocation of administration costs and payment-in-lieu-of-tax supporting City operations. The General Fund completed the fiscal year with a net positive variance of \$3.0m compared with the budget plan.

CITY OF DANIA BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2015

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statement is comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. In addition to the basic financial statements, this report also contains other supplementary information that further explains and supports the information in the financial statements.

The following table summarizes the major features of the City's financial statements:

	Government-wide Statement	Governmental Funds	Fund Statements	
			Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary such as police, fire, parks	Activities the City operates similar to private business such as water and sewer system	Instances in which the City is the trustee or agent for someone else's resources, such as retirement plans for employees
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon after, no capital assets included	All assets and liabilities, both financial and Capital and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenses when goods/services have been received and payment is due, during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The focus of the government-wide financial statements is on the overall financial position and activities of the City of Dania Beach. Reporting is similar to that of a private-sector business. The City's government-wide financial statements include the statement of net position and statement of activities. As described below, these statements do not include the City's fiduciary funds as resources of these funds cannot be used to finance the City's operations. However, the financial statements of the fiduciary funds are included in the City's fund financial statements as the City is financially accountable for those resources.

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**The Statement of Net Position** provides information on the assets held and liabilities owed by the City. Assets and liabilities are reported using the accrual basis of accounting, meaning assets are recorded when the City acquires ownership and liabilities are reported when they are incurred, regardless of when cash is received or paid. The difference between the City's total assets and total liabilities is net position. This statement combines and consolidates the governmental entity's current financial resources (short-term spendable resources) with capital assets and long term financial obligations.

**The Statement of Activities** is focuses on both the gross and net cost of various activities. This is intended to summarize and simplify the user's analysis of cost of various governmental services and the local taxing effort necessary to sustain each of those activities. The operations of City of Dania Beach are divided into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here. It includes police, fire, public services, community development, parks, the Dania Beach Community Redevelopment Agency and administrative departments. These services are principally supported by property taxes, franchise fees and utility taxes, license and permit fees, intergovernmental revenues, special assessment and state, federal and local grant revenues.
- Business-type activities – City's services for which fees and charges are implemented with the intention to cover all or significant portion of the related costs. These services include water, sewer, stormwater, beach pier, marina and parking systems.

These two statements report net position and the changes in that position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Many non-financial or external factors, such as the City's tax base are reflected in the quality of its housing and commercial properties, the condition of City buildings and roads, and the number and types of businesses in the City, which all contribute to the overall health of the City.

## FUND FINANCIAL STATEMENTS

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements as required by state and federal laws, bond covenants and the governmental accounting standards. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Most of City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and on the balance left at year-end that is available for future spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources available for allocation to future budgets and programs. The relationship (or differences) between governmental activities, as reported in the Statement of Net Position and the Statement of Activities, and governmental funds is reconciled on the page following the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

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The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet, governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Grants Fund, Community Redevelopment Agency Fund and the Capital Projects Fund which are considered to be major funds. Information from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements..

The City adopts annual appropriated budgets for its General Fund, Capital Projects Fund, Building Fund, Community Redevelopment Agency Fund, and Debt Service Fund.. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budgets.

***Proprietary Funds*** – The City maintains two different proprietary fund types. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, stormwater, pier, parking and marina operations.

Proprietary funds provide the same type of information as the government-wide financial statements except in more details. The financial statements provide separate information for the water, sewer, stormwater utility, pier, parking and the renovated marina operations.

***Fiduciary Funds*** – The City reports pension trusts for its two defined benefit pension plans and for its Other-Post-Employment-Benefit (OPEB) health plan in the fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

## NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide and fund financial statements.

## OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following schedule is a summary of the fiscal year 2015 Statement of Net Position with comparative information for fiscal year 2014. This schedule which presents net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health or position:

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u> <u>Restated</u>	<u>2015</u>	<u>2014</u> <u>Restated</u>	<u>2015</u>	<u>2014</u> <u>Restated</u>
Current and other assets	\$ 38,059,195	\$ 35,154,133	\$ 25,903,084	\$ 22,172,633	\$ 63,962,279	\$ 57,326,766
Capital assets	51,847,602	54,032,847	40,690,884	41,447,937	92,538,486	95,480,784
Total assets	<u>89,906,797</u>	<u>89,186,980</u>	<u>66,593,968</u>	<u>63,620,570</u>	<u>156,500,765</u>	<u>152,807,550</u>
Deferred outflows	<u>7,484,459</u>	<u>4,817,639</u>	<u>859,911</u>	<u>689,666</u>	<u>8,344,370</u>	<u>5,507,305</u>
Current liabilities	1,972,943	3,318,913	1,930,034	3,037,069	3,902,977	6,355,982
Long term liabilities:						
Due in less than one year	800,408	1,078,129	857,961	998,331	1,658,369	2,076,460
Due in more than one year	48,066,842	45,957,379	19,464,323	18,333,494	67,531,165	64,290,873
Total liabilities	<u>50,840,193</u>	<u>50,354,421</u>	<u>22,252,318</u>	<u>22,368,894</u>	<u>73,092,511</u>	<u>72,723,315</u>
Deferred inflows	<u>1,296,664</u>	<u>1,831,792</u>	<u>190,966</u>	<u>395,562</u>	<u>1,487,630</u>	<u>2,227,354</u>
Net position:						
Invested in capital assets, net of related debt	35,872,543	37,188,106	23,941,609	25,368,100	59,814,152	62,556,206
Restricted	3,218,810	2,496,639	3,144,405	2,903,865	6,363,215	5,400,504
Unrestricted	6,163,046	2,133,661	17,924,581	13,273,815	24,087,627	15,407,476
Total net position	<u>\$ 45,254,399</u>	<u>\$ 41,818,406</u>	<u>\$ 45,010,595</u>	<u>\$ 41,545,780</u>	<u>\$ 90,264,994</u>	<u>\$ 83,364,186</u>

The overall financial position of the City improved in total to \$90.3m during fiscal year 2015 compared to 2014. Unrestricted net position increased by \$8.6m due to additional grant funding, property taxes as well as overall performance of enterprise funds. A change in net position over time is a good and useful indicator of financial position. Key elements of the reconciliation of the statements are that the government-wide statement of activities reports the issuance of debt as a liability, the purchases of capital assets as assets which are then charged to expense over their useful lives through annual depreciation charges and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental fund statements report the issuance of debt as other financing source of funds, the repayment of debt and the purchase of capital assets as expenditures, and changes in long-term liabilities are not reported in the operating statements.

The majority of the City's total net position (66%) are in capital assets, such as land, construction in progress, buildings and improvements, infrastructure such as roads, parks and utility, furniture, fixtures and equipment, less any related debt outstanding that was used to acquire those assets. This capital investment decreased \$ (2.7m) in the current year, primarily due to depreciation expense offset by additions. The City uses capital assets to provide basic services to residents and foster a vibrant business climate. Although City investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because it is unlikely that these capital assets would be sold or liquidated.

An additional portion of the total City net position (7.0%) represents resources that are subject to external restrictions on how they may be used.

The City's combined total unrestricted net position may be used to meet City ongoing obligations to its citizens and creditors. The City is able to report positive balances in all three categories of net position, both for the government as a whole, and for its separate governmental and business-type activities.



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**CHANGES IN NET POSITION**

The following schedule is a summary of the fiscal year 2015 Statement of Activities compared to 2014.

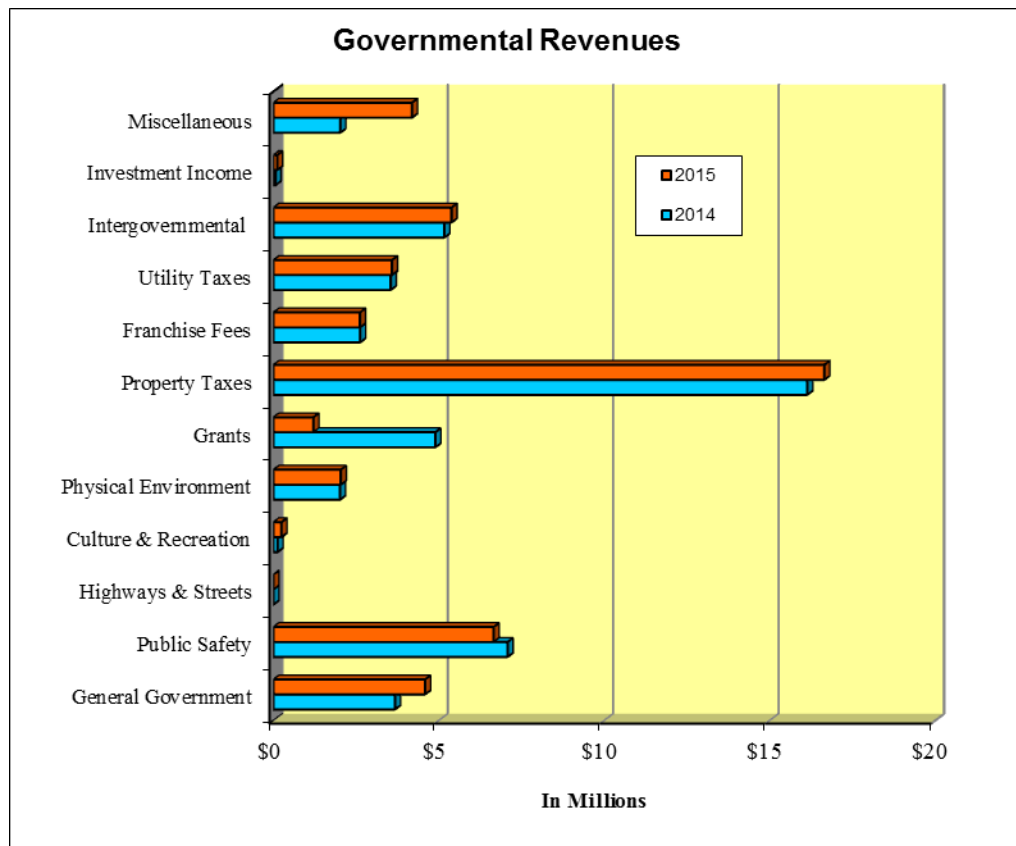
	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		Restated		Restated		Restated
Revenues:						
Program revenues:						
Charges for services	\$ 13,512,376	\$ 12,398,073	\$ 17,191,267	\$ 16,566,872	\$ 30,703,643	\$ 28,964,945
Operating grants	1,001,165	486,672	-	-	1,001,165	486,672
Capital grants contributions	205,326	4,895,611	-	-	205,326	4,895,611
General revenues:						
Property taxes	16,650,291	16,135,270	-	-	16,650,291	16,135,270
Utility taxes	3,582,609	3,543,297	-	-	3,582,609	3,543,297
Franchise fees	2,614,609	2,619,934	-	-	2,614,609	2,619,934
Intergovernmental	5,379,885	5,165,694	-	-	5,379,885	5,165,694
Miscellaneous	1,898,046	2,020,684	-	-	1,898,046	2,020,684
Investment earnings	111,579	63,049	24,821	11,528	136,400	74,577
Total revenues	<u>44,955,886</u>	<u>47,328,284</u>	<u>17,216,088</u>	<u>16,578,400</u>	<u>62,171,974</u>	<u>63,906,684</u>
Expenses:						
General Government	6,112,551	6,097,585	-	-	6,112,551	6,097,585
Public Safety	25,400,964	24,070,777	-	-	25,400,964	24,070,777
Highway and Streets	2,717,458	2,454,846	-	-	2,717,458	2,454,846
Physical environment	3,774,582	3,846,522	-	-	3,774,582	3,846,522
Culture & Recreation	3,147,016	3,299,230	-	-	3,147,016	3,299,230
Community Redevelopment	3,539,737	3,298,782	-	-	3,539,737	3,298,782
Interest expense	208,425	484,334	-	-	208,425	484,334
Water	-	-	4,117,523	3,947,252	4,117,523	3,947,252
Sewer	-	-	3,693,787	4,422,730	3,693,787	4,422,730
Stormwater	-	-	877,269	904,203	877,269	904,203
Pier Operations	-	-	415,719	275,754	415,719	275,754
Parking	-	-	548,092	340,574	548,092	340,574
Marina	-	-	718,044	351,774	718,044	351,774
Total expenses	<u>44,900,733</u>	<u>43,552,076</u>	<u>10,370,434</u>	<u>10,242,287</u>	<u>55,271,167</u>	<u>53,794,363</u>
Increase (decrease) in net position before transfers	55,153	3,776,208	6,845,654	6,336,113	6,900,807	10,112,321
Transfers	<u>3,380,840</u>	<u>(4,546,616)</u>	<u>(3,380,840)</u>	<u>4,546,616</u>	-	-
Increase in net position	3,435,993	(770,408)	3,464,814	10,882,729	6,900,807	10,112,321
Net position, beginning of year	<u>41,818,406</u>	<u>42,588,814</u>	<u>41,545,781</u>	<u>30,663,052</u>	<u>83,364,187</u>	<u>73,251,866</u>
Net position, ending of year	<u>\$ 45,254,399</u>	<u>\$ 41,818,406</u>	<u>\$ 45,010,595</u>	<u>\$ 41,545,781</u>	<u>\$ 90,264,994</u>	<u>\$ 83,364,187</u>

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## GOVERNMENTAL ACTIVITIES

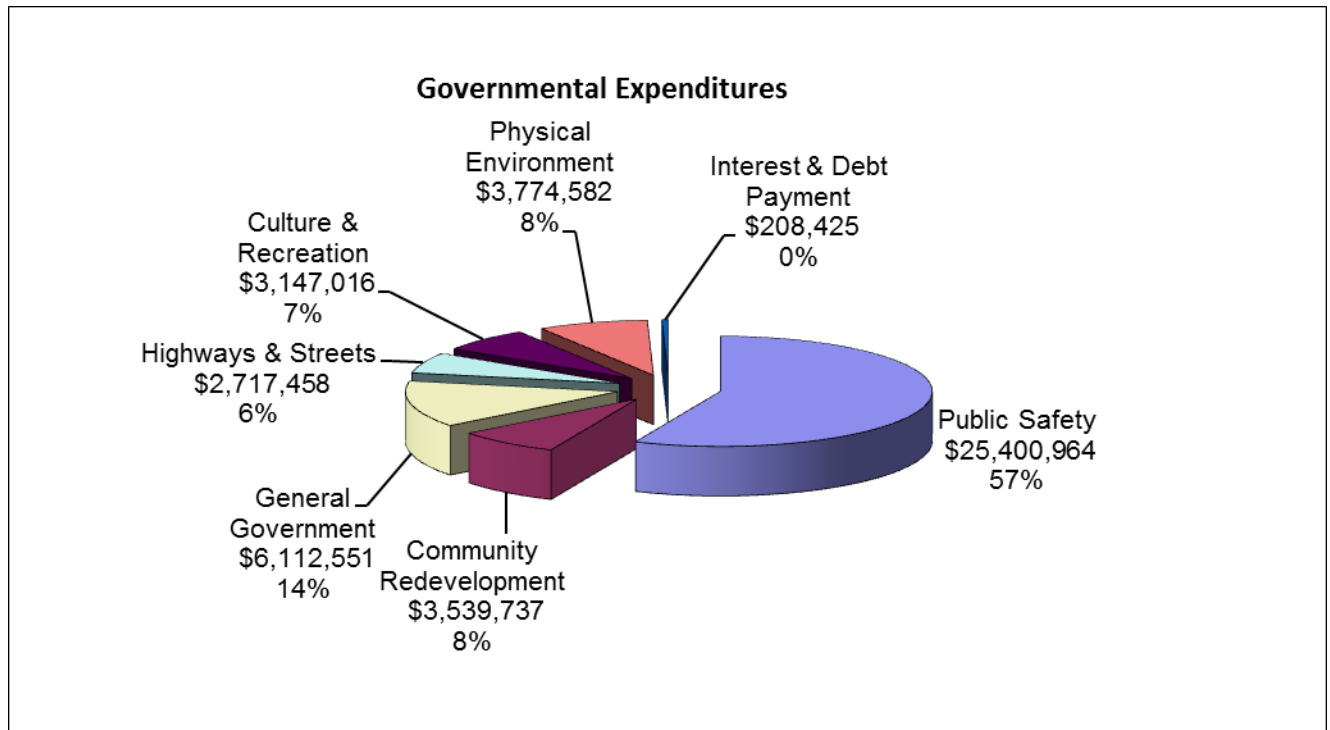
Governmental activities increased the City's net position by a combined total of \$3.4m for the fiscal year before transfers. Governmental revenues decreased by \$2.4m primarily due to grant revenues relating to the marina which boosted revenues in the prior year. Expenses remained constant increasing by a total of \$1.4 million from the prior year mostly due to increased public safety costs including pension related expenses. Transfers increased by a net of almost \$8m million from 2014 primarily due to the transfer of the marina asset to the Marina Enterprise Fund in the prior year.

The chart below illustrates the distribution of program and general revenues for governmental activities for fiscal year 2015 and 2014:



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The pie chart below illustrates the program expenses for governmental activities for the year ended September 30, 2015:



**BUSINESS-TYPE ACTIVITIES**

The City operates six business-type activity funds including a Marina Enterprise fund. All of these funds show positive operating income of \$7.3m obtained which was an increase over the prior year of \$0.8m due to increased revenues at the Marina and Pier as well as careful budgeting and minimizing of costs.

- Water Fund operations reflect an increase of \$0.2m in net position. Operating income remained level at \$1.8m in line with the prior year. Unrestricted net position of the Water Fund show a balance of \$4.2m reflecting a slight increase of (\$1.4)m from the prior year. Investments in other capital infrastructure improvements, net of debt, decreased slightly from the prior year to a total of \$9.1 due to depreciation expense.
- The Sewer Fund experienced an increase in net position of \$2.2m This is primarily due to the benefits of large capital infrastructure improvements undertaken for lift station replacement and groundwater infiltration improvements, which have reduced expenditures. Unrestricted net position of the Sewer Fund totaled \$6.7m reflecting an increase of \$1.1m from the prior year.
- The Stormwater Fund experienced an increase in net position of \$0.7m Annual property assessment rates were unchanged from prior year. Delays in capital infrastructure projects allowed this fund to accumulate resources for new equipment purchases and to perform smaller neighborhood storm drainage capital improvement projects using its annual cash collections. These projects are currently in progress. Unrestricted net position of the Stormwater Fund shows an increase in balance of \$0.5m.

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- The Marina Fund revenues continue to improve over the prior year under the management of Westrec in the amount of \$0.5m. The marina has experienced a full year of operations in 2015 compared to only a partial year in 2014.
- The City's Non-major funds include the Parking and Pier Operations Funds. The Parking Fund has continued to experience improved collections with operating revenues totaling \$1.6 m which is slightly up from the prior year. Revenues are derived almost entirely from beach parking fees and beach parking enforcement. Downtown development initiatives by the CRA continue to work toward developing demand and use of the downtown parking garage. Operating costs for both the beach and downtown garage areas are reflected in this fund.
- The Pier Operations Fund reflects an annual increase in operating income of approximately \$0.5m. Unrestricted net position decreased slightly over the prior year after transfers out..

### FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The City of Dania Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2015, the City's governmental funds reported combined ending fund balances of \$34.1m an increase of \$4.1m in comparison with the prior year. Approximately 59.6% or \$20.3m of the ending balance is unassigned and available for spending at the City's discretion with \$2.7m assigned by City management for emergency recovery, litigation and fire pension cost. A balance of \$ 2.7m is committed for uses by the CRA and \$5.4m for capital projects, and \$0.8m for City cemetery and tree preservation use. A balance of \$ 2.5m is restricted for specific use by laws, loans and grant agreements. The remaining fund balance of \$ 0.125m is non-spendable as it represents inventory, prepaid expenditures and property held for sale.

Below is the analysis of the fund balance for fiscal year 2015:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Funds</u>	<u>Total</u>
Fund balances, September 30, 2014	\$ 21,150,390	\$ 4,601,375	\$ 4,225,749	\$ 29,977,514
Revenues	40,813,817	-	4,189,020	45,002,837
Expenditures	(38,493,446)	(436,856)	(10,790,912)	(49,721,214)
Other financing sources (uses)	702,812	960,000	7,158,801	8,821,613
Total Fund balances, September 30, 2015	24,173,573	5,124,519	4,782,658	34,080,750
Nonspendable fund balance, September 30, 2015	(36,549)	-	-	(36,549)
Restricted fund balances, September 30, 2015	(860,150)	-	(2,376,070)	(3,236,220)
Committed fund balance, September 30, 2015	(128,567)	(5,124,519)	(2,495,386)	(7,748,472)
Assigned fund balance, September 30, 2015	(2,732,145)	-	-	(2,732,145)
Unassigned fund balance, September 30, 2015	<u>\$ 20,416,162</u>	<u>\$ -</u>	<u>\$ (88,798)</u>	<u>\$ 20,327,364</u>

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**General Fund**

The General Fund is the chief operating fund of the City. As of September 30, 2015, the fund balance of the City's General Fund increased by \$3.0m to a total of \$24.2m. Total General Fund revenues increased by \$1.0m to a total of \$40.8m primarily due to an increase in ad valorem revenues of \$.5m. and licenses and permits of \$0.2m both due to an improvement in the economic environment. Expenditures increased by \$1.7m over fiscal year 2014 to a total of \$38.5m and reflect another significant increase in public safety costs totaling more than \$1m.

The amount of General Fund revenue by type, their percent of the total and the amount of change compared to the last three fiscal years are shown in the following schedule:

**Revenues**

	Current Year 9/30/2015	1 year ago 9/30/2014	2 years ago 9/30/2013	3 years ago 9/30/2012	Change Over Past 3 Years	Change Percent
General Fund Revenues:						
Ad valorem taxes	\$ 16,650,291	\$ 16,135,270	\$ 15,467,882	\$ 15,604,005	\$ 1,046,286	7%
Special assessments	5,081,535	5,052,071	4,065,279	4,082,820	998,715	24%
Franchise fees	2,614,609	2,619,934	2,292,448	2,238,321	376,288	17%
Utility taxes	3,582,609	4,762,128	4,617,269	4,300,248	(717,639)	-17%
Licenses and permits	1,519,063	1,348,722	880,205	880,092	638,971	73%
Intergovernmental	5,379,885	3,946,863	3,669,786	3,494,027	1,885,858	54%
Charges for services	3,638,794	3,557,682	3,424,154	3,250,279	388,515	12%
Fines and forfeitures	513,704	427,084	355,032	711,168	(197,464)	-28%
Interest	102,330	58,476	74,034	182,939	(80,609)	-44%
Miscellaneous	1,730,997	1,910,964	2,826,839	2,028,330	(297,333)	-15%
Total Revenues	<u>\$ 40,813,817</u>	<u>\$ 39,819,194</u>	<u>\$ 37,672,928</u>	<u>\$ 36,772,229</u>	<u>\$ 4,041,588</u>	<u>11%</u>

The increase in ad valorem taxes has not been significant due to a combination of State legislative restrictions, and property valuation adjustments approved by the County further reducing taxable property values. For fiscal years 2012, 2013 and 2014, the City approved a millage rate of 5.9998 reflecting a decrease from the "rolled-back" rate. In fiscal year 2014, City property values began to increase after decline of 1% between 2012 and 2013, which was partially due to reduced construction and development throughout the City. Property values have continued to appreciate again this year by approximately \$.5m Non Ad-Valorem assessment rates for fire were increased in fiscal year 2015 to provide funding for increased contract and fire pension cost. Intergovernmental revenues have increased with greater sales tax receipts and a new annual profit sharing agreement approved by the legislature as well as an improving economy. Low investment earnings reflect the lengthy Federal action reducing and maintaining interest rates at historic lows. However, there was a small increase during the current year and this is expected to continue as the federally government slowly increases interest rates once again.

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**Expenditures**

The amount of General Fund expenditures by type, their percent of the total and the amount of change compared to the last three fiscal years are shown in the following schedule:

	Current Year <u>9/30/2015</u>	1 year ago <u>9/30/2014</u>	2 years ago <u>9/30/2013</u>	3 years ago <u>9/30/2012</u>	Change Over <u>Past 3 Years</u>	Change <u>Percent</u>
General Fund Expenditures						
Current:						
General government	\$ 5,787,355	\$ 5,675,429	\$ 5,716,121	\$ 6,302,721	(515,366)	-8%
Public safety	24,381,313	23,287,082	22,319,940	21,186,819	3,194,494	15%
Highways and streets	1,571,248	1,333,177	1,099,131	1,259,159	312,089	25%
Physical environment	3,697,428	3,502,300	2,857,462	2,826,999	870,429	31%
Community redevelopment	566,705	659,499	612,859	607,965	(41,260)	-7%
Culture and recreation	2,489,397	2,336,532	2,907,610	3,157,445	(668,048)	-21%
Total expenditures	<u>\$ 38,493,446</u>	<u>\$ 36,794,019</u>	<u>\$ 35,513,123</u>	<u>\$ 35,341,108</u>	<u>\$ 3,152,338</u>	<u>9%</u>

- General Government costs remained in line with the prior year.
- Highways and street expenditures increased due to roadway repaving being performed through the Public Services Department during the past year.
- Increased public safety cost continues to challenge the City's annual financial balance. Cost increases are primarily attributed to two factors. First, is the annual adjustment in cost offered by the Broward Sheriff's Office for contracted police and fire services. Second, an increased and growing amount of annual employer retirement contributions for former City police and fire staff needed to fund the City Police and Fire Pension Plan. Annual retirement cost increases stem from a combination of factors including closure of the Plan to new participants when contract BSO-fire services began in January 2011, unexpected renegotiation of BSO's original annual contract fire contribution that shifted \$ 0.5m annually of initial BSO funding back to City cost, and impacts from revised, more realistic Pension Board actuarial assumptions. Funding of contributions to the City's Police and Fire Pension Plan is paid predominantly by the City outside of the annual Broward Sheriff's Office contract service agreements.

**Other Major Governmental Funds**

The Capital Projects Fund received inter-fund net transfers of \$ 1.0m during fiscal year 2015 for use on various governmental infrastructure projects approved by the City Commission. Capital Project expenditures totaled \$ 0.44 million, including funding from prior year project approvals. Expenditures were made for an array of approved projects including another additional "oasis" neighborhood entryway; solar lighting, and traffic improvements; and conceptual development of a beach master plan..

The CRA Fund received net transfers of almost \$ 0.9m from the General Fund. Expenditures of the CRA totaled \$1.2m which included operations of the neighborhood garden, matching funds for local business improvements, and completion of several neighborhood improvement projects funded by prior year transfers. The City's CRA is unusual since it was not approved by the County to receive any tax increment financing. The CRA therefore receives its operational funding from annual City General Fund transfers. The CRA ended the year with a committed fund balance of \$1.7m, reflecting a decrease of \$1m from the prior year.

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September 30, 2015

The Grant Fund reported a total of \$1.2m in revenues during 2015 from a mixture of State and County sources. The Grant Fund still remains in a deficit while awaiting collection of the grant awards in future periods.

The Debt Service Fund received proceeds from the refinancing of debt in the amount of \$5.4m offset by the refunding of old debt. The Debt Service Fund received \$1.4m in net transfers from the general fund in order to pay down various debt obligations.

### **Proprietary Funds**

The fund financial statements for the proprietary funds provide essentially the same type of information found in the government-wide financial statements, but in more detail. There are six proprietary funds for fiscal year 2015: Water, Sewer, Stormwater, Parking, Pier Operations, and Marina Fund. The net changes of these funds have already been addressed in the discussion of the City's business-type activities.

### **BUDGET INFORMATION**

The City Commission approves the original budget (adopted budget) in September prior to the beginning of the fiscal year. The final budget (amended budget) reflects divisional changes made administratively and approved by the City Manager, prior year encumbrances and departmental changes and supplemental appropriations approved by the City Commission during the year.

The most significant differences between the adopted budget and the amended budget are as follows:

- Increase in City Manager department reflects an increase in additional capital projects relating to neighborhood improvements in the approximate amount of \$0.3m.
- Legal increase is attributed to continuing litigation costs.

The most significant differences between the ammended budget and actual expenses in the General Fund were as follows:

- City Manager's office include less expenditures due to projects that did not occur during the fiscal year.
- General services were significantly higher by more than \$0.2m
- Highways and Streets and Culture and Recreation both were significantly less than budgeted for (\$0.9m and 0.2m, respectively) due to capital projects not occuring that were budgeted for. This was mostly due to timing issues.

**CITY OF DANIA BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2015

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City of Dania Beach total capital assets for governmental and business-type activities as of September 30, 2015 amount to \$ 92.5m (net of accumulated depreciation) representing an decrease of almost \$3m over last year's balance (depreciation exceeded asset additions). This investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, utility system, furniture, fixtures and equipment.

**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 16,184,221	\$ 16,184,221	\$ 220,976	\$ 220,976	\$ 16,405,197	\$ 16,405,197
Utility system			33,028,239	34,744,268	33,028,239	34,744,268
Buildings	15,838,258	16,853,493	4,073,323	4,321,472	19,911,581	21,174,965
Equipment	1,140,406	1,390,000	1,270,513	656,598	2,410,919	2,046,598
Infrastructure	18,226,839	19,201,728		-	18,226,839	19,201,728
Construction-in-progress	457,878	403,405	2,097,833	1,504,623	2,555,711	1,908,028
	<u>\$ 51,847,602</u>	<u>\$ 54,032,847</u>	<u>\$ 40,690,884</u>	<u>\$ 41,447,937</u>	<u>\$ 92,538,486</u>	<u>\$ 95,480,784</u>

Major capital asset events during the fiscal year included:

- 100% completion of stormwater phase 1 and the start of phase II

Additional information on the City's capital assets can be found in the Note 6 in the footnotes section of this report.

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**CITY OF DANIA BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2015

**Long-Term Debt**

As of September 30, 2015, the City had a total outstanding debt of approximately \$32.7m (excluding compensated absences). This debt consists of bonds, notes, and capital leases payable that are secured by non ad-valorem revenues or through covenants to budget and appropriation, and general obligation bonds secured by ad-valorem revenues.

The City's debt total decreased by a net amount of a little less than \$.2m during 2015 comprised of a \$.9m decrease in governmental debt and an increase in business activity borrowing of \$.7m). Additional information on the City's debt and other long-term liabilities can be found in the Note 7 in the footnote section of this report.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Sales tax bonds	\$ 1,305,000	\$ 1,455,000	\$ -	\$ -	\$ 1,305,000	\$ 1,455,000
General obligation bonds	8,375,773	8,595,000	-	-	8,375,773	8,595,000
Notes	5,243,729	5,553,935	2,205,000	2,325,000	7,448,729	7,878,935
Capital leases	1,036,775	1,226,334	-	-	1,036,775	1,226,334
State revolving loan	-	-	14,547,370	13,754,837	14,547,370	13,754,837
Bond Premium	13,782	14,472	-	-	13,782	14,472
Compensated absences	942,363	855,770	312,075	298,664	1,254,438	1,154,434
	<u>\$ 16,917,422</u>	<u>\$ 17,700,511</u>	<u>\$ 17,064,445</u>	<u>\$ 16,378,501</u>	<u>\$ 33,981,867</u>	<u>\$ 34,079,012</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City has begun to experience a steady growth in building activity that should translate into improved annual tax revenue in coming years. A new 6-story hotel was completed in 2015. The City has also noted significant business expansion in its marina and boat works industries over the past year along with re-development and expansion plans of gaming operations at the Dania Jai Alai pari-mutuel which are set to re-open in 2016. Business development in the downtown City Center area continues to be pursued as improvement in the South Florida real estate market continues. Initial development plans for a commercial hotel and restaurant are construction should begin in 2016 additionally, there is a significant redevelopment project (Dania Pointe) which will feature both residential and commercial (shops and restaurants) development adjacent to I-95 which is expected to be completed in the next few years with the first phase opening late in 2017.

Towards the end of fiscal year ended 2013, the City renegotiated its repayment of County economic development loans made to the CRA, deferring the repayment time-line and expanding the initial 5-year term for increasing the tax-base by adding 3 more years. Thus, the initial measurement period for repayment of the County's \$5 million loan has been extended from March 2014 to March 2017; with loan payment due 12 months later. This revised measurement period gives the CRA additional time to achieve development and increased tax base benchmarks that would convert annual County loan repayments into a County grant award.

The City's continuing investment in economic development, branding and marketing efforts coupled with its proximity to attractive amenities and transportation hubs are expected to improve the long-range tax base in future years. Developing a strategic view and a comprehensive structure for the City's economic development goals, efforts, and annual expenditures will aide in becoming more focused on planning, budgeting and measuring economic benefits stemming from this investment of City funds.

The nearby Jai Alai fronton has been redeveloped and is now open again and offers a future economic opportunity to the City as interest in limited South Florida gaming continues its public vetting. In the prior year, plans were developed to direct accumulated surplus from Beach-area restaurant and parking activities to conduct a refurbishment of the beach dunes as first, necessary safety step of a Beach master-plan. After the initial dune restoration, other parts of the Beach master plan may seek annual

**CITY OF DANIA BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2015

funding from the surplus revenues generated beach activities, thus phasing in beach improvements over the course of coming years.

Business and property redevelopment efforts will help maintain the City's financial stability as local and State economies continue to strengthen. After substantial City investments in beautification, recreation and business economic incentives over the past several years, a prudent and more focused monitoring of economic development costs and rewards may aide the City in maintaining its financial condition. Balancing on-going revenue resources with the City's on-going levels of service delivery costs will be challenged in coming years primarily in four areas: 1) loan repayment costs and limiting additional debt, 2) retirement funding costs, 3) public safety contractual costs, and 4) worker and retiree health care costs. Without a meaningful and sustained increase in annual City revenue resources, it may be helpful to develop a framework for discussions about establishing priorities. the cost of resources, and annual allocation of available funds among service delivery areas. The cost of annual City pension contributions should decrease within the next year; this is becoming more much more transparent due to changes in GASB reporting requirements now in place. When pension costs are added to the increased contractual cost of public safety services provided by the Broward Sheriff's Office (BSO), the City will likely face a growing need for additional increased funds during the next year or so if other City service levels are maintained. The City's successful effort to bid, share costs, and better control annual employee health costs will be a significant help in controlling costs in the coming years.

The City has considered and continued to approve a large number of large capital projects over the past several years. These have included US-1 landscaping, several park and neighborhood "oasis" projects; and the City Marina renovation completed this year. Capital projects bring with them a notable and growing cost for annual upkeep that call for staff, equipment, annual operating costs to properly maintain in coming years. Generally, projects are being planned and carried out while seeking some combination of grant awards and/or loan financing; allowing the use of accumulated City cash as a final, cautious resource. When possible, the City places high priority on projects with grant awards, moderate priority on loan financing projects, and the most cautious priority on projects paid entirely by accumulated funds. Loans have caused levels of annual City debt to rise further in 2015 and later years as projects are completed (Southeast Stormwater, Lime Water Plant Rehabilitation, etc.). Continued use of accumulated cash balances for unplanned and unbudgeted capital projects should be discouraged and routed back to the City annual approved budget plan to preserve the City's financial condition and maintain reasonable user fees.

The Broward County Commission approved expansion of the South runway at the Fort Lauderdale International Airport in 2014. This plan is expected to impact property values of the City adjacent to this expanded runway in 2017. Under this expansion large number of single family homes have been impacted and several commercial properties. The demolition of a large hotel in proximity of the landing zone has been completed and removed from the City's tax rolls resulting in a direct revenue loss to the City of \$150,000. Further loss of annual revenues associated with the runway expansion property will have significant impact on the City's future property tax, utility and assessment revenues beginning in the prior fiscal year. Settlement of City litigation regarding this runway expansion occurred during fiscal year 2014.

The County approved the establishment of a Community Redevelopment Agency (CRA) for the City of Dania Beach. The original CRA area was expanded in 2010 to include a much larger area. This is not a traditional CRA in that the City will not be able to obtain property tax increment revenue derived from the increase of the property value in the CRA area. Rather than tax increment financing, the County provided a five year interest free loans of more than \$5m (recently re-negotiated providing three additional interest free years) for projects to improve the taxable property base within the CRA area. The funds were used for construction of a new 4-level parking garage adjacent to City Hall and County Library in the downtown "City Center" area. The County loan agreement allows conversion of the annual repayments into a grant provided increased property values are achieved through use of these funds in a timely manner. Repayment of this loan will begin in FY'18 if increased property values are not achieved by March, 2017.

**CITY OF DANIA BEACH, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2015

Annual funding includes \$ 0.8m in direct spending plus additional funds to allow the CRA to pay for annual administrative support costs.

The economy is expected to continue a steady recovery in City property values during the next year. Improvement with expanded business development and a growing property tax base resulted in a slight increase in property values in 2013, 2014 2015 and continue in to 2016. However, the loss of property values associated with the County airport expansion are expected to continue to impact values in the City for several years. A cautious approach to additional City infrastructure improvements is warranted to ensure funds are generally being used from annual recurring resources without depleting unassigned fund balance. Examining funding levels for annual economic development initiatives, capital improvements and a general but prudent fiscal restraint in discretionary costs will aide Dania Beach in maintaining a stable financial position in coming years.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any information provided in this report or requests for additional information should be addressed to the Finance Department, 100 West Dania Beach Boulevard, Dania Beach, FL 33004.

## **BASIC FINANCIAL STATEMENTS**

These basic financial statements provide a summary overview of financial position of all funds, the operating results of all funds and the cash flows of proprietary funds. They also serve as an introduction to the more detailed statements and schedules that follow in the next section.

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CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF NET POSITION  
September 30, 2015

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS:</b>			
Cash, cash equivalents and investments	\$ 34,010,265	\$ 19,988,188	\$ 53,998,453
Receivables:			
Franchise, utility and other taxes	833,989	98,239	932,228
Customer / other, net	43,889	1,737,542	1,781,431
Internal balances	(874,614)	874,614	-
Due from other governmental agencies	2,098,637	22,200	2,120,837
Inventories	25,059	37,896	62,955
Prepaid expenses	11,490	-	11,490
Property held for resale	90,199	-	90,199
Net OPEB asset	1,343,491	-	1,343,491
Restricted cash, cash equivalents and investments	476,790	3,144,405	3,621,195
Capital assets not being depreciated	16,642,099	2,318,808	18,960,907
Capital assets being depreciated, net	35,205,503	38,372,076	73,577,579
Total assets	<u>89,906,797</u>	<u>66,593,968</u>	<u>156,500,765</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred outflows - pensions	7,484,459	859,911	8,344,370
Total deferred outflows	<u>7,484,459</u>	<u>859,911</u>	<u>8,344,370</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	1,246,191	1,081,402	2,327,593
Accrued interest payable	100,411	130,342	230,753
Due to other governmental agencies	275,049	286,405	561,454
Deposits	351,292	344,996	696,288
Other liabilities	-	86,889	86,889
Non-current liabilities:			
Due within one year:			
Compensated absences	141,354	46,811	188,165
Current portion of long-term debt	659,054	811,150	1,470,204
Due in more than one year:			
Compensated absences	801,009	265,263	1,066,272
Long-term debt	15,316,005	15,941,221	31,257,226
Net pension liability	31,949,828	3,257,839	35,207,667
Total liabilities	<u>50,840,193</u>	<u>22,252,318</u>	<u>73,092,511</u>
<b>DEFERRED INFLOWS</b>			
Deferred inflows - revenues	762,422	76,596	839,018
Deferred inflows - pensions	534,242	114,370	648,612
Total deferred inflows	<u>1,296,664</u>	<u>190,966</u>	<u>1,487,630</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	35,872,543	23,941,609	59,814,152
Restricted:			
Restricted	-	(1,155,880)	(1,155,880)
Impact fees:			
General government	174,448	-	174,448
Recreation	96,000	-	96,000
Public safety	803,039	-	803,039
Building code costs	1,668,533	-	1,668,533
Debt service	476,790	3,144,405	3,621,195
Unrestricted	6,163,046	17,924,581	24,087,627
NOT CODED	-	1,155,880	1,155,880
Total net position	<u>\$ 45,254,399</u>	<u>\$ 45,010,595</u>	<u>\$ 90,264,994</u>

See Notes to the Basic Financial Statements

**CITY OF DANIA BEACH, FLORIDA**  
**Statement of Activities**  
**Year Ended September 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
General government	\$ 6,112,551	\$ 4,550,523	\$ -	\$ 115,326	\$ (1,446,702)	\$ -	\$ (1,446,702)
Public safety	25,400,964	6,656,338	971,165	-	(17,773,461)	-	(17,773,461)
Highways and streets	2,717,458	957	-	-	(2,716,501)	-	(2,716,501)
Physical environment	3,774,582	2,064,089	-	-	(1,710,493)	-	(1,710,493)
Community redevelopment	3,539,737	-	30,000	-	(3,509,737)	-	(3,509,737)
Culture and recreation	3,147,016	240,469	-	90,000	(2,816,547)	-	(2,816,547)
Interest on long-term debt	208,425	-	-	-	(208,425)	-	(208,425)
<b>Total governmental activities</b>	<b>44,900,733</b>	<b>13,512,376</b>	<b>1,001,165</b>	<b>205,326</b>	<b>(30,181,866)</b>	<b>-</b>	<b>(30,181,866)</b>
Business-type activities:							
Water	4,117,523	5,619,733	-	-	-	1,502,210	1,502,210
Sewer	3,693,787	6,653,703	-	-	-	2,959,916	2,959,916
Stormwater	877,269	2,033,947	-	-	-	1,156,678	1,156,678
Marina	718,044	775,742	-	-	-	57,698	57,698
Parking	548,092	1,644,600	-	-	-	1,096,508	1,096,508
Pier operations	415,719	463,542	-	-	-	47,823	47,823
<b>Total business-type activities</b>	<b>10,370,434</b>	<b>17,191,267</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,820,833</b>	<b>6,820,833</b>
Total primary government	<u>\$ 55,271,167</u>	<u>\$ 30,703,643</u>	<u>\$ 1,001,165</u>	<u>\$ 205,326</u>	<u>(30,181,866)</u>	<u>6,820,833</u>	<u>(23,361,033)</u>
General revenues:							
Property taxes					16,650,291	-	16,650,291
Franchise fees based on gross receipts					2,614,609	-	2,614,609
Utility taxes					3,582,609	-	3,582,609
Unrestricted intergovernmental revenue					5,379,885	-	5,379,885
Unrestricted investment earnings					111,579	24,821	136,400
Miscellaneous					1,898,046	-	1,898,046
Transfers					3,380,840	(3,380,840)	-
Total general revenues, special item and transfers					<u>33,617,859</u>	<u>(3,356,019)</u>	<u>30,261,840</u>
Change in net position					3,435,993	3,464,814	6,900,807
Net position - beginning					67,587,199	44,380,804	111,968,003
Prior period adjustment					<u>(25,768,793)</u>	<u>(2,835,023)</u>	<u>(28,603,816)</u>
Net Position - beginning (restated)					41,818,406	41,545,781	83,364,187
Net position - ending					<u>\$ 45,254,399</u>	<u>\$ 45,010,595</u>	<u>\$ 90,264,994</u>

See Notes to the Basic Financial Statements

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CITY OF DANIA BEACH, FLORIDA  
BALANCE SHEET -  
GOVERNMENTAL FUNDS  
September 30, 2015

		Special Revenue Funds	
	General	Grants	Community Redevelopment Agency
<b>ASSETS:</b>			
Current Assets			
Cash, cash equivalents and investments	\$ 21,421,366	\$ 2,727,276	\$ 1,769,209
Receivables, net			
Franchise, utility and other taxes	739,079	-	-
Customer / other, net	131,985	-	6,234
Due from other funds	4,048,953	-	-
Due from other governmental agencies	614,363	1,484,274	-
Inventories	25,059	-	-
Prepays	11,490	-	-
Property held for sale	90,199	-	-
Restricted assets:			
Restricted Cash, cash equivalents and investments	-	-	-
Total assets	\$ 27,082,494	\$ 4,211,550	\$ 1,775,443
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>			
Liabilities			
Accounts payable and accrued liabilities	\$ 930,149	\$ -	\$ 75,125
Due to other funds	708,190	4,205,354	3,136
Due to other governmental agencies	156,868	94,994	-
Deposits	351,292	-	-
Total liabilities	2,146,499	4,300,348	78,261
Deferred inflows of resources			
Deferred business tax receipts	423,666	-	-
Deferred rental receipts	102,226	-	-
Other deferred receipts	236,530	-	-
Total deferred inflows of resources	762,422	-	-
Fund balance			
Nonspendable			
Nonspendable Inventories	25,059	-	-
Prepaid expenditures	11,490	-	-
Restricted			
General government - Impact fees	174,448	-	-
Recreational impact fees	96,000	-	-
Public safety	589,702	-	-
Building code costs	-	-	-
Debt service	-	-	-
Committed for:			
Community redevelopment	128,567	-	1,697,182
Maintenance of cemeteries	-	-	-
Capital projects	-	-	-
Tree preservation	-	-	-
Assigned to:			
Dania Jai Alai-legal	49,899	-	-
Disaster recovery	1,869,461	-	-
Airport expenses	22,741	-	-
Firefighter's pension	790,044	-	-
Unassigned (deficit)	20,416,162	(88,798)	-
Total fund balances (deficit)	24,173,573	(88,798)	1,697,182
Total liabilities, deferred inflows, and fund balances	\$ 27,082,494	\$ 4,211,550	\$ 1,775,443

See Notes to the Basic Financial Statements

Debt Service Fund	Capital Projects	Other Non Major Governmental Funds	Total Governmental Funds
\$ -	\$ 5,168,988	\$ 2,923,426	\$ 34,010,265
-	-	-	739,079
-	-	580	138,799
-	-	-	4,048,953
-	-	-	2,098,637
-	-	-	25,059
-	-	-	11,490
-	-	-	90,199
476,790	-	-	476,790
<u>\$ 476,790</u>	<u>\$ 5,168,988</u>	<u>\$ 2,924,006</u>	<u>\$ 41,639,271</u>
\$ -	\$ 44,469	\$ 196,448	\$ 1,246,191
-	-	6,887	4,923,567
-	-	23,187	275,049
-	-	-	351,292
-	44,469	226,522	6,796,099
-	-	-	423,666
-	-	-	102,226
-	-	-	236,530
-	-	-	762,422
-	-	-	25,059
-	-	-	11,490
-	-	-	174,448
-	-	-	96,000
-	-	213,337	803,039
-	-	1,668,533	1,668,533
476,790	-	-	476,790
-	-	-	1,825,749
-	-	563,427	563,427
-	5,124,519	17,410	5,141,929
-	-	234,777	234,777
-	-	-	49,899
-	-	-	1,869,461
-	-	-	22,741
-	-	-	790,044
-	-	-	20,327,364
<u>476,790</u>	<u>5,124,519</u>	<u>2,697,484</u>	<u>34,080,750</u>
<u>\$ 476,790</u>	<u>\$ 5,168,988</u>	<u>\$ 2,924,006</u>	<u>\$ 41,639,271</u>

**CITY OF DANIA BEACH, FLORIDA**  
**RECONCILIATION TO THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2015**

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 34,080,750
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds		51,847,602
Other assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.		
Deferred outflows-pension related	7,484,459	
Net OPEB asset	<u>1,343,491</u>	8,827,950
Interest payable, not reported in the government funds		(100,411)
Long-term liabilities are not due and payable in the current period and therefore, are not reported at the fund level		
Long term debt including bonds, notes and capital		
Lease obligations	15,975,059	
Deferred inflows-pension related	534,242	
Net pension liability	31,949,828	
Compensated absences	<u>942,363</u>	<u>(49,401,492)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ <u><u>45,254,399</u></u>

See Notes to the Basic Financial Statements

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CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2015

	Special Revenue Funds		
	General Fund	Grants	Community Redevelopment Agency
<b>REVENUES</b>			
Property taxes	\$ 16,650,291	\$ -	\$ -
Special Assessments	5,081,535	-	-
Franchise Fees	2,614,609	-	-
Utility Taxes	3,582,609	-	-
Licenses and permits	1,519,063	-	-
Intergovernmental	5,379,885	-	-
Charges for Services	3,638,794	-	-
Fines and forfeitures	513,704	-	-
Investment earnings (loss)	102,330	-	4,377
Grants	-	1,176,491	30,000
Miscellaneous	1,730,997	-	144,977
Total revenues	<u>40,813,817</u>	<u>1,176,491</u>	<u>179,354</u>
<b>EXPENDITURES</b>			
Current			
General government	5,787,355	-	-
Public safety	24,381,313	972,004	-
Debt service			
Highways and streets	1,571,248	-	-
Physical environment	3,697,428	-	-
Community redevelopment	566,705	115,736	1,203,070
Culture and recreation	2,489,397	-	-
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>38,493,446</u>	<u>1,087,740</u>	<u>1,203,070</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>2,320,371</u>	<u>88,751</u>	<u>(1,023,716)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from issuance of long-term debt	-	-	-
Debt issuance costs	-	-	-
Transfers in	4,821,809	2,500	1,350,170
Transfers out	(4,118,997)	-	(460,170)
Total other financing sources (uses)	<u>702,812</u>	<u>2,500</u>	<u>890,000</u>
Net Change in Fund Balances	3,023,183	91,251	(133,716)
<b>FUND BALANCES (DEFICIT)</b>			
BEGINNING OF YEAR	<u>21,150,390</u>	<u>(180,049)</u>	<u>1,830,898</u>
<b>FUND BALANCES (DEFICIT)</b>			
END OF YEAR	<u>\$ 24,173,573</u>	<u>\$ (88,798)</u>	<u>\$ 1,697,182</u>

See Notes to the Basic Financial Statements.

Debt Service Fund	Capital Projects	Other Non Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 16,650,291
-	-	-	5,081,535
-	-	-	2,614,609
-	-	-	3,582,609
-	-	2,676,393	4,195,456
-	-	-	5,379,885
-	-	31,100	3,669,894
-	-	51,787	565,491
71	-	4,801	111,579
-	-	-	1,206,491
-	-	69,023	1,944,997
71	-	2,833,104	45,002,837
-	-	-	5,787,355
-	-	10,200	25,363,517
-	28,423	-	1,599,671
-	-	-	3,697,428
-	-	1,648,685	3,534,196
-	408,433	-	2,897,830
6,300,947	-	-	6,300,947
457,262	-	-	457,262
6,758,209	436,856	1,658,885	49,638,206
(6,758,138)	(436,856)	1,174,219	(4,635,369)
5,440,773	-	-	5,440,773
(83,008)	-	-	(83,008)
1,414,020	960,000	-	8,548,499
-	-	(588,492)	(5,167,659)
6,771,785	960,000	(588,492)	8,738,605
13,647	523,144	585,727	4,103,236
463,143	4,601,375	2,111,757	29,977,514
\$ 476,790	\$ 5,124,519	\$ 2,697,484	\$ 34,080,750

CITY OF DANIA BEACH, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2015

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 4,103,236
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	1,051,623
Provision for depreciation on governmental capital assets is included in the governmental activities in the statement of net position.	(3,189,917)
Proceeds from the sale of capital assets are not included in the statement of activities, but are shown as a net gain or loss on sale	(86,024)
Pension contributions are reported as expenditures in the government funds and recorded as deferred outflows on the statement of net position	564,838
Principle payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net position.	6,300,947
Debt proceeds are reported as other financing sources in governmental funds, but as an increase in long term liabilities in the statement of net position	(5,440,773)
Certain items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Gain on disposal of capital assets	\$ 39,073
Provision for amortization of bond premium	690
Change in OPEB asset	(78,762)
Change in accrued interest	257,655
Change in compensated absences	\$ (86,593)
	<u>132,063</u>
Change in net position - Governmental Activities	<u>\$ 3,435,993</u>

See Notes to the Basic Financial Statements.

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CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2015

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Stormwater
<b>ASSETS:</b>			
Current Assets:			
Cash, cash equivalents and investments	\$ 6,427,575	\$ 7,484,027	\$ 3,582,751
Receivables, net	831,793	959,022	-
Due from other funds	-	-	900,000
Due from other governments	6,519	-	-
Prepays and other assets	29,538	2,998	5,360
Total current assets	7,295,425	8,446,047	4,488,111
Noncurrent assets:			
Restricted cash, cash equivalents and investments	1,679,049	1,222,575	242,781
Capital assets not being depreciated	220,976	-	2,097,832
Capital assets being depreciated, net	19,552,599	5,840,715	5,753,741
Total noncurrent assets	21,452,624	7,063,290	8,094,354
Total assets	28,748,049	15,509,337	12,582,465
<b>DEFERRED OUTFLOWS</b>			
Deferred outflows - pensions	437,875	183,384	141,784
<b>LIABILITIES AND NET POSITION:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	188,580	701,379	45,765
Accrued interest payable	83,138	9,874	2,868
Due to other funds	14,776	4,316	4,525
Due to other governmental agencies	6,519	-	-
Deposits	340,606	-	-
Other liabilities	81,849	5,040	-
Compensated absences-current	27,725	7,527	8,340
Current maturities of long term debt	672,674	135,380	3,096
Total current liabilities	1,415,867	863,516	64,594
Noncurrent liabilities:			
Compensated absences	157,109	42,653	47,262
Loans payable - noncurrent	10,011,375	2,505,772	1,219,074
Net pension liability	1,661,108	830,413	540,935
Total noncurrent liabilities	11,829,592	3,378,838	1,807,271
Total liabilities	13,245,459	4,242,354	1,871,865
<b>DEFERRED INFLOWS</b>			
Deferred inflows - revenues	71,102	-	-
Deferred inflows - pensions	57,948	6,507	18,359
Total deferred inflows	129,050	6,507	18,359
<b>NET POSITION:</b>			
Invested in capital assets, net of related debt	9,089,526	3,199,563	6,632,499
Restricted			
Debt service	1,679,049	1,222,575	242,781
Impact fees	876,809	279,071	-
Unrestricted	4,166,031	6,742,651	3,958,745
Total net position	\$ 15,811,415	\$ 11,443,860	\$ 10,834,025

See Notes to the Basic Financial Statements

Business Type Activities - Enterprise  
Funds

Marina	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ 201,322	\$ 2,292,513	\$ 19,988,188
44,966	-	1,835,781
-	-	900,000
-	15,681	22,200
-	-	37,896
246,288	2,308,194	22,784,065
-	-	3,144,405
-	-	2,318,808
7,077,784	147,237	38,372,076
7,077,784	147,237	43,835,289
7,324,072	2,455,431	66,619,354
-	96,868	859,911
74,038	71,640	1,081,402
34,462	-	130,342
-	1,769	25,386
3,725	276,161	286,405
4,360	30	344,996
-	-	86,889
-	3,219	46,811
-	-	811,150
116,585	352,819	2,813,381
-	18,239	265,263
2,205,000	-	15,941,221
-	225,383	3,257,839
2,205,000	243,622	19,464,323
2,321,585	596,441	22,277,704
1,014	4,480	76,596
-	31,556	114,370
1,014	36,036	190,966
4,872,784	147,237	23,941,609
-	-	3,144,405
-	-	1,155,880
128,689	1,772,585	16,768,701
\$ 5,001,473	\$ 1,919,822	\$ 45,010,595

CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Year September 30, 2015

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Stormwater
OPERATING REVENUES:			
Charges for services	\$ 5,483,834	\$ 6,594,752	\$ 1,934,494
Fines and forfeitures	-	-	-
Miscellaneous	135,899	58,951	99,453
Total operating revenues	<u>5,619,733</u>	<u>6,653,703</u>	<u>2,033,947</u>
OPERATING EXPENSES:			
Operations and maintenance	2,658,586	3,272,573	658,080
Depreciation	1,174,684	347,222	215,023
Total operating expenses	<u>3,833,270</u>	<u>3,619,795</u>	<u>873,103</u>
Operating income (loss)	<u>1,786,463</u>	<u>3,033,908</u>	<u>1,160,844</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	-	16,660	8,161
Interest (expense)	(284,253)	(73,992)	(4,166)
Total non-operating revenues (expenses) before transfers	<u>(284,253)</u>	<u>(57,332)</u>	<u>3,995</u>
Income (loss) before transfers	1,502,210	2,976,576	1,164,839
TRANSFERS:			
Transfers out	(1,338,705)	(799,649)	(422,429)
Total transfers	<u>(1,338,705)</u>	<u>(799,649)</u>	<u>(422,429)</u>
Change in net position	163,505	2,176,927	742,410
NET POSITION, beginning of year	16,965,172	10,198,662	10,521,053
Prior Period Adjustment	(1,317,262)	(931,729)	(429,438)
NET POSITION, restated	<u>15,647,910</u>	<u>9,266,933</u>	<u>10,091,615</u>
NET POSITION, end of year	<u>\$ 15,811,415</u>	<u>\$ 11,443,860</u>	<u>\$ 10,834,025</u>

See Notes to the Basic Financial Statements

Business Type Activities - Enterprise  
Funds

Marina	Nonmajor Funds	Totals
\$ 771,706	\$ 1,707,320	\$ 16,492,106
-	224,925	224,925
4,036	175,897	474,236
<u>775,742</u>	<u>2,108,142</u>	<u>17,191,267</u>
307,782	942,951	7,839,972
334,901	20,860	2,092,690
<u>642,683</u>	<u>963,811</u>	<u>9,932,662</u>
<u>133,059</u>	<u>1,144,331</u>	<u>7,258,605</u>
-	-	24,821
<u>(75,361)</u>	<u>-</u>	<u>(437,772)</u>
<u>(75,361)</u>	<u>-</u>	<u>(412,951)</u>
57,698	1,144,331	6,845,654
<u>(107,480)</u>	<u>(712,577)</u>	<u>(3,380,840)</u>
<u>(107,480)</u>	<u>(712,577)</u>	<u>(3,380,840)</u>
(49,782)	431,754	3,464,814
5,051,255	1,644,662	44,380,804
<u>-</u>	<u>(156,594)</u>	<u>(2,835,023)</u>
<u>5,051,255</u>	<u>1,488,068</u>	<u>41,545,781</u>
<u>\$ 5,001,473</u>	<u>\$ 1,919,822</u>	<u>\$ 45,010,595</u>

**CITY OF DANIA BEACH, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2015**

	Business-Type Activities				Non-Major Funds	Totals
	Water	Sewer	Stormwater	Marina		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users	\$ 5,668,452	\$ 6,728,969	\$ 2,033,946	\$ 759,473	\$ 2,111,077	\$ 17,301,917
Payments to employees	(1,631,297)	(636,723)	(545,643)	-	(273,457)	(3,087,120)
Payments to suppliers	(1,048,114)	(3,247,775)	(784,162)	(239,646)	(619,148)	(5,938,845)
Net cash provided by operating activities	2,989,041	2,844,471	704,141	519,827	1,218,472	8,275,952
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>						
Cash provided by (to) other funds	(1,336,750)	(799,175)	(421,541)	(107,480)	(711,490)	(3,376,436)
Net cash provided by (used in) non-capital financing activities	(1,336,750)	(799,175)	(421,541)	(107,480)	(711,490)	(3,376,436)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Purchase of capital assets	(49,129)	(314,159)	(907,209)	(65,141)	-	(1,335,638)
Proceeds from long term debt	-	241,604	1,173,333	-	-	1,414,937
Loan from other government	-	-	-	-	-	-
Principal paid on long-term debt	(483,927)	(135,381)	(3,095)	(120,000)	-	(742,403)
Interest paid on long term debt	(288,234)	(73,992)	(1,387)	(77,237)	-	(440,850)
Net cash provided by (used in) capital and related financing activities	(821,290)	(281,928)	261,642	(262,378)	-	(1,103,954)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Investment earnings	-	16,660	8,162	-	-	24,822
Net cash provided by investing activities	-	16,660	8,162	-	-	24,822
Net increase (decrease) in cash and cash equivalents	831,001	1,780,028	552,404	149,969	506,982	3,820,384
CASH AND CASH EQUIVALENTS, beginning of year	7,275,623	6,926,574	3,273,128	51,353	1,785,531	19,312,209
CASH AND CASH EQUIVALENTS, end of year	8,106,624	8,706,602	3,825,532	201,322	2,292,513	23,132,593
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>						
Cash and cash equivalents	6,427,575	7,484,027	3,582,751	201,322	2,292,513	19,988,188
Restricted cash and cash equivalents	1,679,049	1,222,575	242,781	-	-	3,144,405
Cash and cash equivalents, ending	\$ 8,106,624	\$ 8,706,602	\$ 3,825,532	\$ 201,322	\$ 2,292,513	\$ 23,132,593

See Notes to the Basic Financial Statements.

**CITY OF DANIA BEACH, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2015**  
**(continued)**

	Business-Type Activities				Non-Major Funds	Totals
	Water	Sewer	Stormwater	Marina		
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income	\$ 1,786,463	\$ 3,033,908	\$ 1,160,844	\$ 133,059	\$ 1,144,331	\$ 7,258,605
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Provision for allowance for doubtful accounts	8,690	10,454	-	-	-	19,144
Provision for depreciation	1,174,684	347,222	215,023	334,901	20,861	2,092,691
(Increase) decrease in:						
Receivables	28,801	64,812	-	(16,553)	1,711	78,771
Prepays and other assets	(5,534)	(130)	(1,564)	-	-	(7,228)
Due from other governmental agencies	(6,519)	-	-	-	1,628	(4,891)
Deferred outflows	(86,608)	(31,132)	(27,926)	284	(24,579)	(169,961)
Increase (decrease) in:						
Accounts payable and accrued liabilities	(43,627)	(564,008)	(661,188)	66,380	31,746	(1,170,697)
Due to other governmental agencies	6,519	-	-	1,756	-	8,275
Deposits	19,292	-	-	-	(30)	19,262
Other liabilities	38,384	551	-	-	-	38,935
Deferred inflows	(103,759)	(11,638)	(32,875)	-	(56,608)	(204,880)
Net pension liability	154,285	16,800	48,872	-	84,559	304,516
Compensated absences	17,970	(22,368)	2,955	-	14,853	13,410
Total adjustments	<u>1,202,578</u>	<u>(189,437)</u>	<u>(456,703)</u>	<u>386,768</u>	<u>74,141</u>	<u>1,017,347</u>
Net cash provided by operating activities	<u>\$ 2,989,041</u>	<u>\$ 2,844,471</u>	<u>\$ 704,141</u>	<u>\$ 519,827</u>	<u>\$ 1,218,472</u>	<u>\$ 8,275,952</u>

See Notes to the Basic Financial Statements.

CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
September 30, 2015

	<u>Totals</u>
ASSETS:	
Investments, at fair value:	
Cash and money market funds	\$ 3,431,103
Common Stocks	27,963,105
Mutual Funds	10,124,216
Corporate and foreign bonds	4,992,018
Partnership/Joint venture	1,886,247
Real estate	4,483,663
Government securities	6,704,415
Total investments	<u>59,584,767</u>
Receivables:	
State contributions	37,279
Employee contributions	55,487
Employer contributions	192,273
Accrued interest receivable	97,872
Due from broker for securities sold	57,153
Loans to DROP participants	329,398
Total receivables	<u>769,462</u>
Prepays	<u>62,710</u>
Total assets	<u>60,416,939</u>
LIABILITIES:	
Accounts payable	38,275
Due for securities purchased	152,971
Total liabilities	<u>191,246</u>
NET POSITION:	
Net position restricted for DROP benefits	2,038,513
Net position restricted for defined benefits	58,187,180
Total net position	<u>\$ 60,225,693</u>

See Notes to the Basic Financial Statements.

CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
Year Ended September 30, 2015

	<u>Totals</u>
ADDITIONS:	
Contributions:	
Employees	\$ 948,845
Employer	5,163,885
Buybacks	185,482
State	441,891
Total contributions	<u>6,740,103</u>
Investment income:	
Net appreciation in fair value of investments	(2,046,821)
Interest and dividends	1,697,242
Total investment income	<u>(349,579)</u>
Investment expenses	<u>(332,916)</u>
Net investment income	<u>(682,495)</u>
Other income	<u>31,785</u>
Total additions	<u>6,089,393</u>
DEDUCTIONS:	
Pension benefits paid	5,476,111
Administrative expenses	218,857
Total deductions	<u>5,694,968</u>
Change in net position	394,425
Net position - beginning	<u>59,831,268</u>
Net position - ending	<u><u>\$ 60,225,693</u></u>

See Notes to the Basic Financial Statements.



## **NOTES TO THE FINANCIAL STATEMENTS**

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 1 – ORGANIZATION AND OPERATIONS**

The City of Dania Beach, Florida (the “City”) located in Broward County, is a political subdivision of the State of Florida. The legislative branch of the City is composed of a five-member elected commission. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the commission-appointed City Manager. In addition to the general government function, the City provides its residents with public works, public safety (police and fire), culture and recreation, building, zoning and planning functions, water, sewer and storm water management.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity:

The financial statements were prepared in accordance with government accounting standards which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of the financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, as such, be includable within the City’s financial statements. The City is financially accountable for a component unit, if it appoints a voting majority of the organization’s board, and it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits, or impose specific financial burdens on the City.

The Dania Beach Community Redevelopment Agency (the “CRA”) is governed by the CRA Board which is substantially the same as the City Commission. Although it is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City’s designated redevelopment areas and provides services entirely to the primary government. The CRA is reported as a major special revenue fund type using the blended method.

Government-wide and fund financial statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and fines and forfeitures and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Government-wide and fund financial statements (continued):

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation:

Measurement focus is commonly used to describe the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers receivables collected within 60 days after the year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, franchise fees, licenses and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. In applying the susceptible to accrual concept to intergovernmental revenues, revenues are recognized when all eligibility requirements are met. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government except those required to be accounted for in a separate fund.

The Grants Fund accounts for the revenues and expenditures related to federal, state and local grants received by the City with the exception of FEMA reimbursements for hurricane-related expenses.

The Community Redevelopment Agency fund accounts for funds received to be used for eliminating slum and blight conditions existing in the community redevelopment area.

The Capital Projects Fund accounts for the resources accumulated for the completion of the five-year capital budget.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The City reports the following major proprietary funds:

The City's water treatment, sewer and stormwater system are funded through user charges. The Marina Fund accounts for the operation of the City's marina is funded, from user charges.

Additionally, the city reports the following Fiduciary funds:

The Pension Trust Fund accounts for the activities of the General Employees Retirement System, the Police and Firefighter's Retirement System and OPEB Trust Plan. These funds accumulate resources for pension benefit payments to qualified employees and other post-employment benefits for qualified retirees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water, sewer and storm water enterprise funds are charges to customers for sales and services.

The water and sewer funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is City policy to use restricted resources first, and then unrestricted resources as needed.

Assets, liabilities and Net Position or fund balance:

1. Deposits and Investments:

The City's cash and cash equivalents are considered to be cash on hand, time and demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and investments with the State Board Investment Pool.

Short-term investments, except the State Board Investment Pool, are reported at cost, which approximates fair value. The Investment Pool is recorded at its value of the pool shares (2A-7 Pool) which is fair value.

The nature of investments is governed by the provisions of Florida Statutes Section 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the Local Government Surplus Funds Trust Fund, money market funds, direct or unconditionally guaranteed obligations of the United States Government, obligations of certain government agencies, interest bearing time deposits or savings accounts.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2. Receivables and Payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are levied as of January 1 on property values assessed as of the same date. Assessment and collections are made on behalf of the City by Broward County. Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the City by Broward County on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes. All trade and property tax receivables are shown net of an allowance for uncollectibles. Accounts receivable allowances are based on historical trends.

Operating revenues in the water and sewer enterprise funds are generally recognized on the basis of cycle billings rendered monthly. Revenues for services delivered during the last month of the fiscal year that have not been read by September 30 are accrued based on meter reading for the applicable consumption period and billed in October.

3. Inventories and Prepaids:

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of government funds are recorded as expenditures when consumed. The reported governmental fund type inventories are offset by a non-spendable fund balance that indicates that they do not constitute available spendable resources.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets:

Certain assets of the Debt Service and Capital Projects funds have been classified as restricted because their use is completely restricted by a bond indenture agreement for the city's debt service requirements and by grant agreements.

Impact fees collected in the Water and Sewer Funds are also restricted for costs associated with improvements to the systems that will provide for increased capacity as well as the expansion of the system.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

5. Capital Assets:

Capital assets, which include land, buildings and improvements, furniture, fixtures and equipment, construction in progress, infrastructure (e.g., roads, bridges, sidewalks and similar items) and utility systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. For infrastructure assets the City defines capital assets with an initial cost of more than \$10,000 and an estimated life in excess of five years. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	10-40 years
Infrastructure	20-30 years
Utility system	5-50 years
Furniture, fixtures, and equipment	3-10 years

6. Compensated Absences:

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. An employee may, on an annual basis, or upon termination, cash in a portion of these unused benefits. Vacation and sick pay benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported and recorded in governmental funds only if they have matured, for example, as a result of employee resignation and retirements. When the liability is liquidated it is expended/expensed in the General Fund and the Enterprise Funds.

7. Long-term Obligations:

In the Government-Wide Financial Statements and Proprietary Fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line amortization method. The results of using this method do not differ significantly from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

8. Equity Classification:

*Government-Wide and Proprietary Fund Statements*

Equity is classified as Net Position and displayed in three components:

- a. Invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. Restricted Net Position – consists of Net Position with constraints placed on the use either by:
  - 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or
  - 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Position – all other Net Position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

*Fund Equity*

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* require that governmental fund financial statements present fund balances based on classification that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Non-spendable: This classification included amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) or a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.
- b. Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed: This classification included amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Commission may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. Removal of assignments occurs upon completion of the approved task or upon resolution approval of the City Commission. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- d. Assigned: This classification includes amounts that have been identified by the City Commission as being included in fund equity that should be assigned for a specific purpose or as required by certain funding sources. The categories of assigned fund equity are, Dania Jai Alai, disaster recovery, firefighters' pension and airport expenses. The Finance Director, at the direction of the City Commission, is authorized to assign fund balances. The Commission may also assign fund balance. Assignments are generally temporary and no formal action is required to remove the assignment.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

e. Unassigned: This classification includes the residual fund balance for the General Fund. This classification represents the fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes with the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

The City spends restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

9. Deferred Inflows and Outflows of Resources:

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Unearned revenues at the government-wide level arise only when the City receives resources before it has a legal claim to them.

10. The statement of net position includes a separate section, listed below Total Assets, for deferred outflow of resources. This represents the expenses of net position applicable to future periods and will not be recognized as expenses until the future period to which it applies. The City currently reports the pension contributions after the measurement date, which will be recognized in the following year. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. Although these estimates as well as all estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

11. Deficit Fund Balances:

At September 30, 2015, the City had a deficit fund balance in the Grants Fund of \$88,798. In the opinion of management, future grant reimbursements will eliminate the deficit; however, if grant reimbursements do not come to fruition, the deficit would be covered by the General Fund.

12. Governmental Accounting Standards Board (GASB Pronouncements)

The City implemented GASB Statement No. 68 Accounting and Financial Reporting for Pension - an amendment of GASB Statement No. 27 that improves accounting and financial reporting for pensions and enhances the note disclosures and Required Supplementary Information (RSI) for both defined benefit and defined contribution pension plans effective October 1, 2014 and GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.



CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Deposits:

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

Investments:

The City is authorized to invest in obligations of the United States Treasury, its agencies, instrumentalities and the Local Government Surplus Funds Trust Fund administered by the State Board of Administration. The investments follow the investment rules defined in Florida Statutes Chapter 215. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net investment earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

The City invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The SBA previously reported that the State Pool was exposed to potential risks due to indirect exposure in the subprime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools ("Florida PRIME" and "Fund B").

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7-like fund. The City's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

The Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio.

The City also invests in the Florida Municipal Investment Trust (the "Municipal Trust") which was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Municipal Trust is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a "2a-like" pool.

Investments – City:

As of September 30, 2015, the City had the following investments and maturities:

Investment Maturities (In Years)			
	Fair Value	Less Than 1	1-5
Florida PRIME	\$ 52,104,109	\$ 52,104,109	\$ -
	<u>\$ 52,104,109</u>	<u>\$ 52,104,109</u>	<u>\$ -</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

*Interest rate risk*

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The City has a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates. The policy establishes a maximum range of ten years for United States Treasury Securities, five years for Federal Agencies and Instrumentalities and three years for Certificates of Deposit.

*Credit risk*

The City has a formal investment policy that mitigates credit risk by limiting investments to the safest types of securities; prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business; and diversifies the investment portfolio so that potential losses on individual securities will be minimized. In addition, state law limits investments in bonds, stocks or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, unless the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Florida PRIME is rated AAAM by Standard and Poor's and Fund B is not rated by any nationally recognized statistical rating agency. The FMIvT 0-2 Year High Quality Bond Fund is rated AAA/V1 by Fitch.

Investments – Fiduciary Funds:

As of September 30, 2015, the City's fiduciary funds had the following investments:

**Total Pension Plans**

Common stocks	\$ 27,963,105
Mutual funds	10,124,216
Government securities	6,704,415
Corporate and foreign bonds	4,992,018
Real estate trust	4,483,663
Cash and money market funds	3,431,103
Partnership / Joint venture	<u>1,886,247</u>
	<u><b>\$ 59,584,767</b></u>

*Maturity risk*

State law does not limit maturity term on fixed income holdings. As of September 30, 2015, the Police and Firefighters' Pension Plan (PFPP) and General Employees Pension Plan (GEPP) held government securities and corporate bonds that had maturities as follows:

Police and Firefighters' Pension Plan

	Fair Value	Investment Maturities (In Years)			
		less than 1 Year	1-5	6-10	More Than 10
Corporate and foreign bonds	\$ 2,730,832	\$ 16,970	\$ 1,286,747	\$ 500,833	\$ 926,282
United States Government treasury notes	2,075,803	-	756,916	940,608	378,279
United States Government agency notes	1,637,931	95,822	16,716	37,263	1,488,130
Fixed income mutual funds	<u>102,036</u>	<u>-</u>	<u>31,101</u>	<u>31,902</u>	<u>39,033</u>
	<u><b>\$ 6,546,602</b></u>	<u><b>\$ 112,792</b></u>	<u><b>\$ 2,091,480</b></u>	<u><b>\$ 1,510,606</b></u>	<u><b>\$ 2,831,724</b></u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

General Employees' Pension Plan

	Fair Value	Investment Maturities (In Years)		
		less than 1 Year	1-5	6-10
United States Government agency notes	\$ 848,149	\$ 406,158	\$ 441,991	\$ -
United States Government treasury notes	2,142,531	375,837	1,530,100	236,594
Corporate bonds	2,261,187	252,992	2,008,195	-
	<u>\$ 5,251,867</u>	<u>\$ 1,034,987</u>	<u>\$ 3,980,286</u>	<u>\$ 236,594</u>

*Custodial Credit Risk*

Custodial Credit Risk is the risk that in the event of failure of the counterparty, the City and the Fiduciary Funds would not recover the value of its investments or collateral securities that are in the possession of an outside party. The investment policy of the City and Fiduciary Funds minimizes this risk by establishing minimum standards for institutions used by the City. Consistent with the City's investment policy the investments are held by custodial banks/institutions in the City's and Plans name as applicable.

*Credit Risk*

The Police and Firefighters Pension Plan and the General Employees Retirement System Plan Investments subject to credit risk were rated by Moody's Investors Services as follows:

Rating	Police and Fire Fair Value	General Employees Fair Value
Aaa	\$ 2,803,678	\$ 2,584,325
Aa	2,169	-
Aa1	82,084	678,214
Aa2	106,996	233,631
Aa3	94,210	478,009
A	7,368	-
A1	203,483	655,934
A2	220,471	208,801
A3	372,816	148,752
Baa1	360,436	-
Baa2	347,592	112,344
Baa3	79,464	-
Bbb	9,885	-
No rating available	1,855,950	151,857
	<u>\$ 6,546,602</u>	<u>\$ 5,251,867</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

*Concentration risk*

The GEPP investment policy stipulates that not more than 5% of Plan assets can be invested in the common stock of any one issuing company nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2015, the value of each position held by the GEPP portfolio comprised less than 5% of Plan assets and less than 5% of the value of the outstanding capital stock of the respective company.

The PFPP limits investments that may be invested in any one issuer to no more than 5% of the Plan Net Position other than government and government agency securities. There were no individual investments that represent 5% or more of Plan Net Position at September 30, 2015.

The Plans' policies in regard to the allocation of invested assets are established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The investment policy statement was last amended on September 2013. The following was the Police and Fire Board's adopted asset allocation policy as of September 30, 2015.

Type of Investment	Target Allocation
Domestic equity	40% - 60%
International equity	0% - 20%
Domestic fixed income	15%- 30%
Real estate	0% - 15%
Cash & equivalents	Minimum

*Foreign Credit Risk*

For an investment, foreign currency risk is the risk that fluctuations in currency exchange rates may affect transactions conducted in currencies other than US Dollars as well as the carrying value of foreign investments. The Fund's exposure to foreign currency risk derives mainly from its investments in international equity funds and foreign bonds. The total amount of foreign investments as of September 30, 2015 was \$2,022,239 for the Police and Firefighters pension and \$0 for the General Employees pension. The investment policy limits the foreign investments to no more than 25% of the Fund's investment balance. As of year-end, the foreign investments were 6% of total investments for the Police and Firefighters pension and 0% for the general Employees pension.

*Risks and uncertainties*

The Plans have investments that are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the Statement of Net Position available for benefits and the Statement of Changes in Net Position available for benefits. The Plans, through their investment advisors, monitor the Plans' investments and risk associated therewith on a regular basis, which the Plans believe minimizes their risks.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 4 – RECEIVABLES**

Receivables as of September 30, 2015 for the City's individual funds in the aggregate including the allowances for uncollectible receivables are as follows:

	General Fund	CRA	Nonmajor Governmental	Water Fund	Sewer Fund	Marina	Total
Customers billed	\$ 114,281	\$ -	\$ -	\$ 943,377	\$ 1,046,572	\$ -	\$ 2,104,230
Franchise fees	419,799	-	-	-	-	-	419,799
Utility taxes	270,467	-	-	-	-	-	270,467
Other	<u>192,570</u>	<u>6,234</u>	<u>580</u>	<u>20,746</u>	<u>40,000</u>	<u>44,966</u>	<u>305,096</u>
Gross Receivable	997,117	6,234	580	964,123	1,086,572	44,966	3,099,592
Less allowance for uncollectibles	<u>(126,053)</u>	<u>-</u>	<u>-</u>	<u>(132,330)</u>	<u>(127,550)</u>	<u>-</u>	<u>(385,933)</u>
Net total receivables	<u>\$ 871,064</u>	<u>\$ 6,234</u>	<u>\$ 580</u>	<u>\$ 831,793</u>	<u>\$ 959,022</u>	<u>\$ 44,966</u>	<u>\$ 2,713,659</u>

**NOTE 5 – INTERFUND ADVANCES, RECEIVABLES, PAYABLES, AND TRANSFERS**

The balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The composition of interfund balances as of September 30, 2015 is as follows:

	Advance From	Advance To
General Fund	\$ 4,048,953	\$ 708,190
Grants Fund	-	4,205,354
CRA Fund	-	3,136
Other Governmental	-	6,887
Water Fund	-	14,776
Sewer Fund	-	4,316
Stormwater	900,000	4,525
Marina Fund	-	-
Other Enterprise	<u>-</u>	<u>1,769</u>
	<u>\$ 4,948,953</u>	<u>\$ 4,948,953</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 5 – INTERFUND ADVANCES, RECEIVABLES, PAYABLES, AND TRANSFERS  
(continued)**

The composition of interfund transfers for the year end September 30, 2015 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 3,651,695	\$ (3,923,852)
Grants Fund	-	(2,500)
Community Redevelopment Agency Fund	-	(890,000)
Capital Projects Fund	-	(960,000)
Nonmajor Governmental Funds	588,492	-
Debt Service Funds	-	(1,414,020)
Water Fund	1,338,705	-
Sewer Fund	799,649	-
Marina Fund	-	(323,175)
Storm Water Fund	422,429	-
Nonmajor Enterprise Funds	<u>712,577</u>	<u>-</u>
Net Fund Totals	<u>\$ 7,513,547</u>	<u>\$ (7,513,547)</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted General Fund revenues to finance various programs that the government must account for in the other funds in accordance with budgetary authorizations.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 16,184,221	\$ -	\$ -	\$ 16,184,221
Construction in progress	403,406	294,748	(240,276)	457,878
Total capital assets, not being depreciated	<u>16,587,627</u>	<u>294,748</u>	<u>(240,276)</u>	<u>16,642,099</u>
Capital assets, being depreciated:				
Buildings and improvements	24,494,971	-	-	24,494,971
Furniture, fixtures, and equipment	4,876,287	202,322	(232,388)	4,846,221
Infrastructure	44,981,569	794,829	-	45,776,398
Total capital assets, being depreciated	<u>74,352,827</u>	<u>997,151</u>	<u>(232,388)</u>	<u>75,117,590</u>
Less accumulated depreciation for:				
Buildings and improvements	7,641,478	1,015,235	-	8,656,713
Furniture, fixtures, and equipment	3,486,290	404,960	(185,437)	3,705,813
Infrastructure	25,779,839	1,769,722	-	27,549,561
Total accumulated depreciation	<u>36,907,607</u>	<u>3,189,917</u>	<u>(185,437)</u>	<u>39,912,087</u>
Total capital assets, being depreciated, net	<u>37,445,220</u>	<u>(2,192,766)</u>	<u>(46,951)</u>	<u>35,205,503</u>
governmental activities capital assets, net	<u>\$ 54,032,847</u>	<u>\$ (1,898,018)</u>	<u>\$ (287,227)</u>	<u>\$ 51,847,602</u>
	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Business-Type Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 220,976	\$ -	\$ -	\$ 220,976
Construction in progress	1,504,624	593,208	-	2,097,832
Total capital assets, not being depreciated	<u>1,725,600</u>	<u>593,208</u>	<u>-</u>	<u>2,318,808</u>
Capital assets, being depreciated:				
Buildings and improvements	4,962,985	-	-	4,962,985
Furniture, fixtures, and equipment	1,972,349	742,430	(225,500)	2,489,279
Utility system	55,927,920	2	-	55,927,922
Total capital assets, being depreciated	<u>62,863,254</u>	<u>742,432</u>	<u>(225,500)</u>	<u>63,380,186</u>
Less accumulated depreciation for:				
Buildings and improvements	641,513	248,149	-	889,662
Furniture, fixtures, and equipment	1,318,147	126,117	(225,500)	1,218,764
Utility system	21,181,257	1,718,427	-	22,899,684
Total accumulated depreciation	<u>23,140,917</u>	<u>2,092,693</u>	<u>(225,500)</u>	<u>25,008,110</u>
Total capital assets, being depreciated	<u>39,722,337</u>	<u>(1,350,261)</u>	<u>-</u>	<u>38,372,076</u>
business-type activities capital assets, net	<u>\$ 41,447,937</u>	<u>\$ (757,053)</u>	<u>\$ -</u>	<u>\$ 40,690,884</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 6 – CAPITAL ASSETS (continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>		<b>Business-type activities:</b>	
General government	\$ 1,244,348	General government	\$ 133
Highways and streets	874,381	Highways and streets	17,096
Public safety	388,301	Public safety	-
Culture and recreation	357,715	Culture and recreation	338,667
Physical environment	325,172	Physical environment	1,736,797
Total depreciation expense	<u>\$ 3,189,917</u>	Total depreciation expense	<u>\$ 2,092,693</u>

**NOTE 7 – LONG-TERM DEBT**

The following is a summary of changes in long-term debt of the City for governmental activities for the year ended September 30, 2015:

	Balance, Beginning of Year	Additions	Deletions	Balance, End of Year	Due Within One Year
Bonds, notes and capital leases:					
Sales tax revenue bonds	\$ 1,455,000	\$ -	\$ (150,000)	\$ 1,305,000	\$ 155,000
General obligation bonds	8,595,000	5,440,773	(5,660,000)	8,375,773	140,000
Notes payable	5,553,935	-	(310,206)	5,243,729	174,495
Capital leases payable	1,226,334	-	(189,559)	1,036,775	189,559
Deferred amounts - bond premium	14,472	-	(690)	13,782	-
Total bonds, notes and capital leases	<u>16,844,741</u>	<u>5,440,773</u>	<u>(6,310,455)</u>	<u>15,975,059</u>	<u>659,054</u>
Other liabilities:					
Compensated absences	855,770	488,591	(401,998)	942,363	141,354
Total other liabilities	<u>855,770</u>	<u>488,591</u>	<u>(401,998)</u>	<u>942,363</u>	<u>141,354</u>
Total long-term debt and liabilities	<u>\$ 17,700,511</u>	<u>\$ 5,929,364</u>	<u>\$ (6,712,453)</u>	<u>\$ 16,917,422</u>	<u>\$ 800,408</u>

*Bonds Payable*

The City previously issued \$3,500,000 of General Obligation Bonds, Series 2010. The proceeds of the Series 2010 Bonds were used to finance a portion of the parking garage and entry road with associated infrastructure related to a downtown library facility and paying costs of issuance of the Bonds. The Bonds are payable in annual principal installments beginning October 15, 2010 through October 15, 2025. Interest at 4.43% is payable semiannually on the 15<sup>th</sup> day of April and October. The Series 2010 Bonds are secured by the full faith, credit and taxing power of the City.

The City previously issued \$3,255,000 of Sales Tax Revenue Bonds, Series 1994. The proceeds of the series 1994 Bonds were used to (i) make a deposit to an interest account to pay capitalized interest on the Bonds, (ii) retire the Series 1993 Sales Tax Revenue bonds totaling approximately \$741,714, (iii) make a deposit in the Capital Projects Fund for the construction of a municipal fishing pier, (iv) make a deposit into a reserve account. The Bonds were due in varying annual installments through 2025. Annual bond interest rates varied from 3.2% to 5.0%. The Bonds were limited obligations of the City payable solely from sales tax revenues.



CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 7 – LONG-TERM DEBT (continued)**

In December 2012, the City issued the Sales Tax Revenue Refunding Bonds Series 2012 for \$1,615,000. The bonds were issued to refund the above Series 1994 Sales Tax Revenue Bonds. The refunding of the series 1994 Bond reduced the City's debt service payments over the next 13 years by approximately \$968,700 and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$415,000. The bonds are payable in annual principal installments beginning October 1, 2013 through October 1, 2022. Interest at 1.65% is payable semiannually on the first day of each April and October. The bonds are collateralized by the proceeds from the local government half-cent sales tax, for the life of the debt.

The City previously issued \$6,800,000 General Obligation Bonds, Series 2005 to fund the construction of a fire station in the annexed area, parks and recreation centers improvements, and neighborhood improvements for lighting projects, sidewalk improvements and traffic calming devices. These bonds were refunded during the year ended September 30, 2015 (see advanced refunding below).

In August 2015, the City issued the General Obligation Refunding Bond, Series 2015 for \$5,440,773. The bond was issued to refund the above General Obligation Bonds, Series 2005. The refunding of the series 2005 bonds will reduce the City's debt service payments over the next 20 years by approximately \$1,084,861 and obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$674,820. The bonds are payable in semiannual principal installments of \$139,507 beginning October 1, 2016 through October 1, 2035 plus interest at 3.06% as accrued between each payment date. The installments are payable on the first day of each April and October. The bonds are collateralized by all ad-valorem revenue for the life of the debt.

Annual debt service requirements of the Sales Tax Revenue Bonds, Series 1994, the General Obligations Bonds, 2006 and the General Obligations Bonds, Series 2010 are as follows:

Fiscal year ending September 30:	Principal	Interest	Total
2016	\$ 295,000	\$ 147,173	\$ 442,173
2017	584,014	401,513	985,527
2018	594,014	284,653	878,667
2019	599,014	266,498	865,512
2020	2,990,070	1,048,412	4,038,482
2021-2025	2,805,070	479,266	3,284,336
2026-2035	1,395,070	181,429	1,576,499
2036-2039	418,521	12,404	430,925
	<u>\$ 9,680,773</u>	<u>\$ 2,821,348</u>	<u>\$ 12,502,121</u>

As of September 30, 2015, the City has complied with all of the provisions outlines within its Sales Tax Revenue Bond Indenture Agreements.

*Advanced Refundings*

The August 2015 the City completed an advanced refunding of the General Obligation Bonds, Series 2005. The amount of the new bonds totaled \$5,440,773 and consisted of the following:

Principal Redeemed	Costs of Issuance	Total
\$ 5,360,000	\$ 80,773	\$ 5,440,773

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 7 – LONG-TERM DEBT (continued)**

*Advanced Refundings (continued)*

The resulting savings from the advanced refunding is as follows:

Pay Dates	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 08/27/2015 @ 3.0565946%
10/01/15	\$ 289,166	\$ 289,166	\$ -	\$ -	\$ -	\$ (827)
10/01/16	412,350	-	412,350	321,718	90,632	89,463
10/01/17	410,550	-	410,550	439,098	(28,548)	(28,266)
10/01/18	413,550	-	413,550	430,560	(17,010)	(16,907)
10/01/19	411,150	-	411,150	422,023	(10,873)	(10,973)
10/01/20	413,550	-	413,550	413,485	65	(1,267)
October 1, 2021 to 2025	2,068,750	-	2,068,750	1,939,357	129,393	92,931
October 1, 2026 to 2030	2,074,925	-	2,074,925	1,725,911	349,014	227,180
October 1, 2031 to 2035	2,084,250	-	2,084,250	1,512,062	572,188	323,485
	<u>\$ 8,578,241</u>	<u>\$ 289,166</u>	<u>\$ 8,289,075</u>	<u>\$ 7,204,214</u>	<u>\$ 1,084,861</u>	<u>\$ 674,819</u>

*Notes Payable - Governmental Funds*

In June 2006, the City issued a promissory note in the amount of \$1,466,640 to pay for the renovation, expansion and equipping of the City Hall Complex and related costs. The note is payable in semi-annual payments of \$89,998 over 10 years beginning December 29, 2006 at an interest rate of 4.07% per annum. The note matures on June 26, 2016. \$ 174,495

The City entered into an interlocal agreement with Broward County to borrow an amount up to \$5,338,899 for eligible projects in the County Redevelopment Capital Program. The city received the first draw in the amount of \$2,334,200 for the purchase of Parcel 109. The City received it's second draw in the amount of \$2,730,909 in FY 2010 towards the construction of the Parking Facility Garage located on Parcel 109. The loan is held to conditions requiring the City to complete the project within five years of the first draw and to demonstrate a net increase in the tax base of the Community Redevelopment Area. If the conditions are met the note will be forgiven using a predetermine schedule. If the conditions are not met the note will be payable to the County over a fifteen-year period commencing at the end of the initial five-year interest free period with interest at the Municipal Market Data (MMD) "A" revenue bond rate in effect at the time repayment begins. 5,069,234

Total Notes Payable - Governmental Funds \$ 5,243,729

Annual debt service requirements for the notes payable, excluding the inter local agreement with Broward County, are as follows:

Fiscal year ending September 30:	Principal	Interest	Total
2016	\$ 174,495	\$ 5,349	\$ 179,844

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 7 – LONG-TERM DEBT (continued)**

*Notes payable – Enterprise Funds*

	Beginning of Year	Additions	Deletions	End of Year	Due Within One Year
Business-Type Activities					
Revenue bonds payable	\$ 2,325,000	\$ -	\$ (120,000)	\$ 2,205,000	\$ 130,000
State revolving loans payable	13,754,837	1,603,684	(811,151)	14,547,370	681,150
Other long term liabilities:					
Compensated absences	298,664	156,765	(143,354)	312,075	46,811
Total long-term debt and liabilities	<u>\$ 16,378,501</u>	<u>\$ 1,760,449</u>	<u>\$ (1,074,505)</u>	<u>\$ 17,064,445</u>	<u>\$ 857,961</u>

*State Revolving Loans Payable – Enterprise Funds*

During the year and in previous years, the City entered into loan agreements with the State Department of Environmental Protection's Clean Water State Revolving Fund Loan Program and Drinking Water State Revolving Fund Loan Program to borrow up to \$25,350,941. As of September 30, 2015, the City has \$14,547,371 outstanding which it has borrowed to finance the planning, design and construction of water, wastewater and storm water infrastructure improvements. The City is required to maintain rates and charges for the services furnished by the water, sewer, and storm water systems which will be sufficient to provide revenues equal to or exceed 1.15 times the sum of the semiannual loan payments (debt service). The loans payable in semi-annual payments are calculated based on the actual amount of the principal drawn under the agreements, as well as associated capitalized interest and loan issuance cost. Additional draws from the loan program totaled \$1,173,333. The amount of semiannual payments made during the year amounted to \$1,160,058. These amounts are subject to change since the projects have not been completed; therefore, amortization schedules are not available at this time. The financing interest rates and principal amounts of the loans are as follows:

Fund	Rate	Amount
Water Fund	2.500% - 2.820%	\$ 10,684,048
Sewer Fund	0.905% - 1.355%	2,641,152
Stormwater Fund	1.355%	1,222,170
Total		<u>\$ 14,547,370</u>

In February 2013, the City issued the Taxable Marina Revenue Bonds, Series 2013 for \$2,400,000. The bond is issued for the purpose of financing a portion of the costs of rehabilitating the Dania Beach Municipal Marina. The principal on this bond is due annually beginning October 15, 2013 through October 14, 2028. Interest at 3.41% is due semiannually on April 15 and October 15 of each year beginning on April 15, 2013. Annual debt service requirements for the revenue bonds payable are as follows:

Fiscal year ending	Principal	Interest	Total
September 30, 2016	\$ 125,000	\$ 73,059	\$ 198,059
September 30, 2017	130,000	68,712	198,712
September 30, 2018	135,000	64,193	199,193
September 30, 2019	140,000	59,505	199,505
September 30, 2020	145,000	54,645	199,645
September 30, 2021 to 2025	795,000	194,967	989,967
September 30, 2026 to 2029	<u>735,000</u>	<u>51,235</u>	<u>786,235</u>
	<u>\$ 2,205,000</u>	<u>\$ 566,316</u>	<u>\$ 2,771,316</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 8 – LEASES**

*Operating Leases*

The City leases parcels of real estate to private corporations. The leases, classified as operating leases, expire in years 2025 and 2040. The marina lease is subject to contingency rentals, which are calculated as a percentage of gross receipts. The pier restaurant lease payment is the greater of the base rent or 7% of the gross revenues for each lease year. The pier restaurant lease has the option to extend the initial term for up to four separate, consecutive additional renewal terms of five years each. Total City rental income of approximately \$769,000 is included as miscellaneous revenue in the General Fund. The following is a schedule of minimum future rental income of non-cancelable operating leases as of September 30, 2015:

<u>Fiscal year ending September 30:</u>	<u>Amount</u>
2016	\$ 331,622
2017	335,498
2018	339,491
2019	323,422
2020	315,548
2021-2025	1,232,938
2026-2030	850,560
2031-2035	850,560
2036-2040	822,208
Total minimum future rentals	<u>\$ 5,401,847</u>

*Capital Leases*

The City entered into two lease agreements for financing the acquisition of equipment for the Fire Department in the amounts of \$1,005,855 and \$889,744. These lease agreements qualify as capital leases for accounting purposes and therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015 are as follows:

<u>Fiscal year ending</u>	<u>Present Value of Minimum Lease Payments</u>	<u>Interest</u>	<u>Total</u>
September 30, 2016	\$ 189,560	\$ 29,280	\$ 218,840
September 30, 2017	189,560	23,352	212,912
September 30, 2018	189,560	17,425	206,985
September 30, 2019	189,560	11,498	201,058
September 30, 2020	189,560	5,571	195,131
September 30, 2021	88,975	1,303	90,278
	<u>\$ 1,036,775</u>	<u>\$ 88,429</u>	<u>\$ 1,125,204</u>

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

*Litigation*

Various suits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, the City has sufficient insurance coverage to cover any claims and/or liabilities which may arise from such action. The effect of such losses would not materially affect the financial position of the City or the results of its operations.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 9 – COMMITMENTS AND CONTINGENCIES (continued)**

*Interlocal Agreements with Broward County Sheriff's Office*

A contract exists between the Broward County Sheriff's Office and the City, whereby the Broward County Sheriff's Office provides police officers to serve the City. These police officers are paid on the Broward County Sheriff's Office payroll. The City pays the Broward County Sheriff's Office for the police services based on the contract. The City paid the Broward County Sheriff's Office approximately \$10.9 million for the year ended September 30, 2015.

The City has an Inter local Agreement with the Broward County Sheriff's Office to provide fire rescue and emergency medical services. This agreement is through September 2015 and provides for three (3) five (5) year options for renewals based upon the mutual written agreement of both parties. All fire personnel are paid on the Broward County Sheriff's Office payroll. The City pays the Broward County Sheriff's Office for the fire rescue and emergency medical services based on the contract. The City paid the Broward County Sheriff's Office approximately \$9.08 million for the year ended September 30, 2015.

*Inter local Agreement with City of Hollywood*

The City has an Interlocal Agreement with the City of Hollywood for utilization of a common area-wide wastewater collection, treatment and disposal facility. The City of Hollywood is required to provide the City of Dania Beach an estimate of all costs at the beginning of each fiscal year. The annual estimate is the basis for monthly billings and is adjusted annually based upon actual flows and actual costs when known. Charges for services provided by the City of Hollywood include operation, maintenance and administrative costs, debt service charges, depreciation charges and renewal replacement and improvement account contributions. For the year ended September 30, 2015, the City recognized expenses of approximately \$3.0m under this agreement. The agreement will continue in existence until modified by mutual consent or termination by one of the parties after giving one year's notice. Should the City terminate the agreement, it would be required to pay all debt service charges which would otherwise have been chargeable to the City (based upon a weighted average for future years using projected flows) and a sum equal to the present value of five years of all other payments based on the annual payment in the year of termination. Management considers the termination of this agreement to be remote. Future payments under this agreement cannot be estimated.

*Construction Commitments*

The City has numerous active construction projects as of September 30, 2015. The projects include a new library and parking garage, lighting project, neighborhood improvements, public works facility, lift station rehabilitation and water tank membrane. At year end, the City's significant commitments with contractors are as follows:

	Budget	Spent to Date	Remaining Commitment
<b>Capital Projects Fund</b>			
NOAA Waterfront Revitalization	\$ 112,800	\$ 112,800	\$ -
Beach Revitalization I	1,600,000	271,816	1,328,184
Oasis Neighborhood Improv. IV	161,411	157,444	3,967
	<u>\$ 1,874,211</u>	<u>\$ 542,060</u>	<u>\$ 1,332,151</u>
<b>Water, Sewer, Stormwater Funds</b>			
SE Stormwater Phase I	\$ 1,511,897	\$ 1,511,897	\$ -
SE Stormwater Phase II	5,864,485	3,029	5,861,456
SW 26th Terrace, SW 31st and 32nd St	836,448	107,045	729,403
Taylor Lane Drainage	615,000	20,750	594,250
	<u>\$ 8,827,830</u>	<u>\$ 1,642,721</u>	<u>\$ 7,185,109</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

*Plans Descriptions*

The City is the sponsor of two single-employer Public Employee Retirement Systems (“PERS”) defined benefit pension plans established to provide pension, disability and death benefits for its employees and beneficiaries. The two plans are the General Employees’ Pension Fund and the City of Dania Beach Retirement System for Police and Firefighters. The Police and Firefighters’ Plan issues a publicly available financial report that includes financial statements and required supplementary information. Both plans are closed to new entrants. The financial reports for the P&F Plan may be obtained by writing to the board of Trustees c/o City of Dania Beach, 100 West Dania Beach Boulevard, Dania Beach, Florida 33004

Under the provisions of the GERS (General Employee Retirement System) Plan, all full-time employees who were hired prior to March 1, 2006 were eligible to participate. Pension benefits are vested after six years of credited service. Members were eligible to retire at age 55 with 6 years of credited service or at age 50 with 25 years of credited service at a benefit of 2.5% (for each year of credited service) of final average salary based on the highest 3 years’ salary during the last 10 years of employment. The benefit multiplier was raised to 3% for those who retired after December 31, 1998. City ordinance established these benefit provisions. Amendments to the Plan must be authorized by the City Commission.

The governing boards for the plans have been set by City ordinance. The composition of the governing board for the GERS Fund is 1 City commissioner, 2 active employees of the City and 2 residents of the City. The board also serves as plan trustees. The composition of the governing board for the City of Dania Beach Retirement System for Police and Firefighters is 4 residents appointed by the commission; 2 active firefighters; 2 police officers and a 9<sup>th</sup> person chosen by the majority of the previous 8 members.

*Summary of Significant Accounting Policies*

Basis of Accounting:

The Plans’ financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refund are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments:

Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments that do not have an establish market price are presented at estimated fair values as provided by the custodial bank and investment counsel. At October 1, 2013, the date of the latest actuarial valuation, the Plan’s membership consisted of:

	<u>General Employees</u>	<u>Police and Firefighters</u>
Inactive plan memebtrs or their beneficiaries currently receiving benefits	75	57
Inactive plan memebtrs entitled to but not yet receiving benefits	1	-
DROP participants	11	3
Total	<u>87</u>	<u>60</u>
Active members	<u>20</u>	<u>32</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

*Funding Policy*

General Employee's Pension Plan

City ordinance establishes the contribution requirements of General Employee's Pension Plan members and the City. City employee members are required to contribute 19.74% of their annual covered salary of which 16.08% is contributed by the City on behalf of the employee. Additionally, the City is required to contribute at an actuarially determined rate of 77.94% for the year ended September 30, 2015 bringing the combined total pension contribution rate to 94.02%. City and employee contributions for the year ended September 30, 2015 were \$1,320,091 and \$272,197 respectively.

The annual required contribution for the current year was determined based on an October 1, 2013 actuarial valuation date. The aggregate actuarial cost method is used to determine the annual required contribution of the employer for the Plan. Because the method does not identify or separately amortize unfunded actuarial liabilities, information about the Plan's funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to serve as a surrogate for the funded status and funding progress of the Plan. Significant actuarial assumptions used in the actuarial valuation include (i) a rate of return on the investment of present and future assets of 7.25% a year compounded annually, net of investment-related expenses, (ii) projected salary increases of 4% a year attributable to historical events, including inflation, merit and seniority, (iii) normal retirement at age 50, and 24 years of credited service or age 55 and 6 years of credited service and (iv) no post-retirement benefit increases. Both (i) and (ii) include an inflation component of 3%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 5-year period.

Financial Reports - The GERS Plan does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or a report of another entity. The Plan financial statements can be found within the Fiduciary Fund Financial statements contained within this report.

Police and Firefighters Retirement System

Firefighters currently make contributions to the Plan at a rate equal to 24.6% of earnings. Police officers make contributions to the Plan at a rate equal to 7% of their annual covered salary. Firefighters hired prior to September 30, 2001 and those hired on or after October 1, 2001 contribute 2% and 6.46%, respectively, of their earnings through payroll deductions. The remaining employee contributions are made by the City of Dania Beach on the firefighters' behalf. Effective January 29, 2011 and amended September 25, 2013, the City of Dania Beach and the Broward County Sheriff's office agreed that for the year ending September 30, 2013 and for all future fiscal years as long as annual employer pension contribution are required, the Broward County Sheriff's office will contribute \$513,354 to both the City Fire Pension and the City General Employee Pension. The contributed amount of \$513,354 will be divided between the City Fire Pension and the City General Employee Pension by \$497,927 and \$15,427 respectively. In the event the annual required employer pension is less than \$513,354 in any fiscal year; the Broward County Sheriff's office annual required employer contribution shall be the lesser amount.

The Broward County Sheriff's office refunds to the City of Dania Beach the amount that the Sheriff's office would have paid to the Florida Retirement System on behalf of those police officers who remained in the System. For the years ended September 30, 2015 and 2014 no active police officers were participants in the plan. The entire 7% contribution for the police officers would be made entirely by the City of Dania Beach on the police officers' behalf if the city had any remaining active officers in the Plan. Additionally, the City is required to contribute an actuarially determined rate of 77.94% for firefighters in the fiscal year, bringing the combined total firefighter contribution rate to 94.02%. For active participants, the Broward County Sheriff's office and City of Dania Beach make an annual contribution to the Plan in a percentage of pensionable wages determined by the actuary by taking into consideration the amounts contributed by employees and the state of

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

Police and Firefighters Retirement System (continued)

Florida (the “State”) under State law. City, Employee and State contributions for the year ended September 30, 2015 were \$3,776,003, \$730,772 and \$441,891, respectively.

Eligibility - Eligible for the Plan are the firefighters of the City of Dania Beach and certain police officers that were formerly employed by the City of Dania Beach but now are employed by the Broward County Sheriff's Office. As of October 1, 1988, the police officers of the City of Dania Beach became employees of the Broward County Sheriff's Office pursuant to a service agreement dated August 30, 1988 between the City of Dania Beach and the Sheriff of Broward County. As of January 29, 2011, the firefighters of the City of Dania Beach also became employees of the Broward County Sheriff's Office. The Plan became closed to new participants at that time. The plan covers 30 active employees as well as 61 retirees and beneficiaries currently receiving benefits.

Benefits - Normal Retirement Benefit - Police officers who have attained fifty-five years of age and completed ten years of continuous service and firefighters who have attained age 55 and completed 8 years of continuous service may retire with normal retirement benefits. Either firefighters or police officers that have completed twenty-five years of continuous service, regardless of age, may retire with normal retirement benefits. The monthly retirement benefit for firefighter members retiring before October 1, 1989, and for police officers who retire before October 1, 1991, shall equal 2.5% of average monthly earnings for each of the first thirty years of continuous service and 2% of average monthly earnings for each year of continuous service in excess of thirty-seven and one-half years, subject to a maximum of 100% of average monthly earnings. Average monthly earnings are defined as one twenty-fourth of the arithmetic average of earnings for the highest consecutive twenty-four month period preceding the member's date of termination.

The monthly retirement benefit for firefighter members retiring after October 1, 1989, and for police officers who retire after October 1, 1991, shall equal 3% of average monthly earnings for each of the first twenty-five years of continuous service and 2% of average monthly earnings for each year of continuous service in excess of thirty-seven and one-half years, subject to a maximum of 100% of average monthly earnings. The monthly retirement benefit for firefighter members retiring on or after January 1, 1999, shall equal 3% of average monthly earnings for each of the first fifteen years of continuous service and 4% of average monthly earnings for each of the next ten years of continuous service and 2% of average monthly earnings for each year of continuous service in excess of thirty-seven and one-half years, subject to a maximum of 100% of average monthly earnings.

Early Retirement Benefit - Early retirement date shall be when a member completes twenty years of continuous service or both attains fifty years of age and completes eight years of continuous service. A member retiring on or after his early retirement date but before his normal retirement date shall receive their normal retirement benefits actuarially reduced to take into account the member's younger age and the earlier commencement of retirement income payments, but not by more than 3% for each year the retiree is younger than the normal retirement age.

Disability retirement - Any member who receives a service-connected injury, disease or disability, which injury, disease or disability permanently incapacitates the member, physically or mentally from the member's regular and continuous duties as a firefighter or police officer shall receive a monthly disability benefit equal to the greater of the member's accrued retirement benefit or 68% of the member's average monthly earnings in effect as of the date of disability for a disabled firefighter and the greater of the member's accrued retirement benefit or 60% of the member's average monthly earnings in effect as of the date of disability for a disabled police officer. The disability shall be paid until recovery from disability or if the member does not recover, death. Any member with one year of continuous service who receives a non-service connected injury, disease or disability, and which injury, disease or disability permanently incapacitates him physically or mentally from gainful employment shall receive in equal monthly installments a benefit of not less than the members accrued retirement benefit or 25% of their average monthly earnings as follows:



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NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

Police and Firefighters Retirement System (continued)

With less than 2 years	40%
With less than 3 years	45%
With less than 4 years	50%
With less than 5 years	55%
With 5 or more years	60%

Pre-retirement death - A death benefit of the benefits otherwise payable at early or normal retirement but not less than 40% of average monthly earnings is payable to the member's designated beneficiary if a member dies in the performance of services. In addition, a benefit of 7.5% of average monthly earnings is paid to each of the member's dependent children. The total death benefits to be paid to designated beneficiary and children shall not exceed 75% of average monthly earnings. For members who die while not on active duty, the Plan provides a benefit otherwise payable at early or normal retirement but not less than 35% of average monthly earnings and 7.5% for the designated beneficiary and dependent children, respectively. The total non-service-related death benefits for designated beneficiary and children shall not exceed 50% of average monthly earnings.

These non-service incurred benefits are payable only until recovery as determined by the board or ten years certain and death thereafter for firefighter members or death for police officers.

Deferred Retirement Option Plan - A member may enter in the DROP Plan after twenty-five but less than 30 years of credited service. The maximum duration of participation in the DROP shall be limited to seven years. Election into the DROP Plan is voluntary; however the election is irrevocable once DROP payments begin. Members will cease to accrue a benefit and will not be eligible for disability or pre-retirement death benefits once the DROP election is made. Monthly normal retirement benefits that would be paid to members upon date of retirement are paid into the DROP account while the member is able to continue employment with the city.

Health insurance subsidy - All firefighter retirees and firefighter survivors receiving benefits shall be eligible for an annual health insurance subsidy equal to 75% of the prior year's actuarial gain allocable to firefighters, firefighter retirees and firefighter survivors remaining after the annual cost of living adjustments are applied. 75% of any increase in the percentage of covered payroll received by the City of Dania Beach pursuant to section 175.121, Florida Statutes, over the amount received by the City in 1997 shall be defined as the "available actuarial gain". The available actuarial gain for a fiscal year is to be used to subsidize up to one year's payments for retiree health insurance due from each firefighter retiree and firefighter survivor who receives benefits from the system to cover one-third of the premium cost for such insurance or 100% of the cost if enough funds are made available. Should the available actuarial gain not be fully expended by the subsidy, then the balance together with any unexpended available actuarial gain from prior years shall be accrued by the retirement system. DROP participants shall receive credit for any such future benefits paid while participating in the DROP, but not for the health insurance subsidy.

*Net Pension Liability, Pension Expense and Deferred Outflows and Inflows of Resources*

At September 30, 2015, the City reported a net pension liability in the GERS Plan of \$6,414,287 and in the P&F Plan of \$25,296,523. The net pension liabilities were measured as of September 30, 2014, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of October 1, 2013. The City's net pension liability was based on the City's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. Components of the Plans' net pension liabilities are as follows:

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

	General Employee's	Police and Firefighters
Service Cost	\$ 237,731	\$ 1,067,760
Interest on the Total Plan Liability	1,788,524	3,944,144
Changes of benefit terms	-	-
Difference between expected and actual experience of the Total Pension Liability	(46,534)	(23,067)
Change of assumptions	593,408	2,894,544
Benefit payments	(1,643,035)	(2,922,426)
Refunds	-	-
Other (Change in State and Health Insurance Reserves and Present Value of Buybacks)	-	210,585
Net change in total pension liability	930,094	5,171,540
Total Pension Liability - beginning	<u>25,256,403</u>	<u>53,118,842</u>
Total Pension Liability - ending	\$ <u>26,186,497</u>	\$ <u>58,290,382</u>
Contributions - city	\$ 1,123,817	\$ 2,795,542
Contributions - state	-	466,381
Contributions - employee (includes buyback contributions and picked-up member contributions)	214,524	919,530
Net investment income	1,330,113	2,435,693
Benefit payments	(1,643,035)	(2,922,426)
Refunds	-	-
Pension Plan administrative expense	(90,200)	(135,697)
Net change in plan fiduciary net position	935,219	3,559,023
Plan fiduciary net position - beginning	<u>18,836,991</u>	<u>29,434,836</u>
Plan fiduciary net position - ending	\$ <u>19,772,210</u>	\$ <u>32,993,859</u>
Net pension liability	<u>\$ 6,414,287</u>	<u>\$ 25,296,523</u>
Plan fiduciary net position as a percentage of total pension liability	75.5%	56.6%
Covered employee payroll	\$ 1,964,471	\$ 3,002,671
Net pension liability as a percentage of covered employee payroll	326.51%	842.47%

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

Components of the Plans' expense are as follows:

	General Employee's	Police and Firefighters
Service cost	\$ 237,731	\$ 1,067,760
Interest on the total plan liability	1,788,524	3,944,144
Employee contributions	(214,524)	(919,530)
Projected earnings on Plan investments	(1,351,367)	(2,249,738)
Pension Plan administrative expense	90,200	135,697
Change in state and health insurance reserves and present value of buybacks	-	210,585
Recognition of outflows and inflows of resources	<u>551,125</u>	<u>1,558,074</u>
Total Pension expense	<u>\$ 1,101,689</u>	<u>\$ 3,746,992</u>

For the fiscal year ended September 30, 2015, the City recognized pension expense in the GERS Plan of \$1,101,689 and in the P&F Plan of \$3,746,992. These expenses are reported as part of general government and public safety within the functional program of activities. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employee's		Police and Firefighters	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 10,252
Change of assumptions	-	-	1,286,464	-
Net difference between projected and actual earnings on Pension Plan investments	17,003	-	-	148,764
City Pension Plan contributions subsequent to the measurement date	<u>1,320,091</u>	<u>-</u>	<u>4,217,894</u>	<u>-</u>
Total	<u>\$ 1,337,094</u>	<u>\$ -</u>	<u>\$ 5,504,358</u>	<u>\$ 159,016</u>

The deferred outflows of resources related to the Pension Plans, totaling \$1,320,091 and \$4,217,894 resulting from City contributions to the GERS Plan and the P&F Plan respectively subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year End September 30:	General Employees	Police and Firefighters
2016	4,251	(1,239,021)
2017	4,251	(37,191)
2018	4,251	(37,191)
2019	4,250	(37,191)
2020	-	-
Thereafter	-	-

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

*Actuarial Assumptions*

The total pension liability in the September 30, 2014 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

	General Employee's	Police and Firefighters
Inflation	3.0%	3.0%
Salary increases averaged, including inflation	4.0%	6.0%
Investment rate of return net of investment expense including inflation	7.0%	7.5%

Additional actuarial assumptions for the P&F Plan are as follows:

Actuarial Cost Method	50% recognition of aggregate method and 50% recognition of entry age normal method
Amortization Method	N/A for aggregate method; level dollar, closed for entry age normal method
Remaining Amortization Period	N/A for aggregate method; for entry age normal method, 11 years for police officers and 26 years for firefighters
Asset Valuation Method	5-year smoothed market
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	50% recognition of RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB and 50% recognition of 1983 Group Annuity Mortality Table for males and females with no provision for future mortality improvement

Additional actuarial assumptions for the GERS Plan are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-year smoothed market
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA

*Discount Rate*

The discount rate used to measure the total pension liability was 7.0% and 7.25% for the GERS and P&F plans respectively. This single discount rate was based on the expected rate of return on Pension Plan investments of 7.0% and 7.25% for the GERS and P&F plans respectively. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments (7.0% and 7.25% for the GERS and P&F plans respectively) was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

*Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate*

The following represents the City's proportionate share of the net pension liability calculated using the discount rates of 7.0% and 7.25% for the GERS and P&F Plans respectively, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate Schedule of Investment Returns

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
General Employees	\$ 9,084,787	\$ 6,414,287	\$ 4,168,774
Police and Firefighters	\$ 32,197,374	\$ 25,296,523	\$ 19,520,979

*Police and Firefighters pension prior period adjustment*

In accordance with GASB 68 the balances have been reclassified to include a net pension liability, deferred outflows and deferred inflows to be included in the total net position restricted for pensions. The reclassification had the effect of decreasing net position restricted for pensions as of September 30, 2015 by \$20,422,083.

*General Employees' pension prior period adjustment*

In accordance with GASB 68 the balances have been reclassified to include a net pension liability, deferred outflows and deferred inflows to be included in the total net position restricted for pensions. The reclassification had the effect of decreasing net position restricted for pensions as of September 30, 2015 by \$5,295,595.

**NOTE 11 – FLORIDA RETIREMENT SYSTEM**

*General Information*

The City previously elected to participate in the Florida Retirement System ("FRS"). All general employees hired after March 1, 2006 participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, City government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site [www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 11 – FLORIDA RETIREMENT SYSTEM**

*Plan Description*

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

*Benefits Provided*

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

*Contributions*

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively, were as follows: Regular - 7.37% and 7.26%; Special Risk Administrative Support - 42.07% and 32.95%; Special Risk - 19.82% and 22.04%; Senior Management Service - 21.14% and 21.43%; Elected Officers' - 43.24% and 42.27%; and DROP participants - 12.28% and 18.75%. These employer contribution rates include 1.20% and 1.26% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively.

The City's contributions to the Pension Plan totaled approximately \$352,000 for the fiscal year ended September 30, 2015.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At September 30, 2015, the City reported a liability of \$1,865,110 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportionate share of the net pension liability was based on the City's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the City's proportionate share was 0.01444 percent, which was an increase (decrease) of 0.0015 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the City recognized pension expense of \$311,212. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 196,900	\$ 44,235
Change in assumptions	123,794	-
Net difference between projected and actual earnings on pension plan investments	-	445,357
Changes in proportion and differences between City pension plan contributions and proportionate share of contributions	801,897	-
City pension plan contributions subsequent to the measurement date	<u>73,733</u>	<u>-</u>
Total	<u>\$ 1,196,324</u>	<u>\$ 489,592</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

The deferred outflows of resources related to the Pension Plan, totaling \$73,733 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2016	\$ (147,545)
2017	(147,545)
2018	(147,545)
2019	219,889
2020	42,702
Thereafter	11,145

*Actuarial Assumptions*

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.65%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00 %	3.20 %	3.10 %	1.70 %
Fixed Income	18.00	4.80	4.70	4.70
Global Equity	53.00	8.50	7.20	17.70
Real Estate/Property	10.00	6.80	6.20	12.00
Private Equity	6.00	11.90	8.20	30.00
Strategic Investments	12.00	6.70	6.10	11.40
	<u>100.00</u>			
Assumed Inflation-Mean		2.60%		1.90%

(1) As outlined in the Plan's investment policy



CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

*Discount Rate*

The discount rate used to measure the total pension liability was 7.65%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

*Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate*

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
City's proportionate share of the net pension liability	\$ 4,832,922	\$ 1,865,110	\$ (604,597)

*Pension Plan Fiduciary Net Position*

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

*Payables to the Pension Plan*

At September 30, 2015, the City reported a payable in the amount of \$85,134 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2015.

**HIS Plan**

*Plan Description*

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

*Benefits Provided*

For the fiscal year ended September 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

*Contributions*

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution for the period October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015 was 1.20% and 1.26%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$61,162 for the fiscal year ended September 30, 2015.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At September 30, 2015, the City's reported a liability of \$1,631,747 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The City's proportionate share of the net pension liability was based on the City's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the City's proportionate share was .015999951 percent, which was an increase of .001078501% percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the City recognized pension expense of \$149,394. In addition the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	128,376	-
Net difference between projected and actual earnings on HIS plan investments	883	-
Changes in proportion and differences between City HIS plan contributions and proportionate share of contributions	158,212	-
City HIS contributions subsequent to the measurement date	19,123	-
Total	<u>\$ 306,594</u>	<u>\$ -</u>

The deferred outflows of resources related to the HIS Plan, totaling \$306,594 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2016	\$ 22,356
2017	22,356
2018	22,356
2019	22,177
2020	22,091
Thereafter	\$ 17,922

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

Actuarial Assumptions – The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	4.29 %

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

*Discount Rate*

The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

*Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate*

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
City's proportionate share of the net HIS liability	\$ 1,859,296	\$ 1,631,747	\$ 1,441,999

*Pension Plan Fiduciary Net Position*

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

*Payables to the Pension Plan*

The City reported no payables for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2015.

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS**

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB No. 45 requires employer governments to account for and report the annual costs of other postemployment benefits in the same manner as they do for pensions. The City recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

*Plan Description*

The Employee Health Benefit Plan (the “Plan”) is fully insured by a third party on behalf of the City. Coverage under the Plan is a benefit available to retirees of the City and their eligible dependents. On July 28, 2009, the City adopted ordinance 2009-010 creating the Other Post-Employment Benefits Trust Fund, a single employer post-employment benefit plan, in accordance with Florida Statutes Chapter 115. The City entered into a master trust agreement with Florida Municipal Pensions Trust Fund (“FMPTF”), a pooled trust fund established to provide retirement and other post-employment benefit plan administration.

As of October 1, 2014, the date of the latest actuarial valuation, employee membership data related to the Plan was as follows:

<u>Current retirees:</u>	
Under age 65	57
Over age 65	31
Dependents	<u>58</u>
Total current retirees	<u>146</u>
<u>Active employees:</u>	
Under age 65	81
Over age 65	<u>4</u>
Total active employees	<u>85</u>
Total number of participants	<u><u>231</u></u>

*Financial Reports*

The Plan does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or a report of another entity. However the financial statements are included in the Fiduciary Funds Financial Statements contained in this report.

*Actuarial Methods*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage risk and changes in marital status, could result in actual costs being greater or less than estimated.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer plan members to the point. The actuarial methods and assumptions used include techniques that are designed to reduce those effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

*Actuarial Methods (continued)*

The following table provides information concerning actuarial methods and assumptions:

Valuation date	October 1, 2014
Actuarial cost method	Projected unit credit
Amortization period	30 years open period
Actuarial asset valuation method	Market value
Actuarial assumptions:	
Assumed rate of return on investments	6% per annum
Mortality	Males and Females- RP 2000 system table with floating scale AA projections Employee mortality is projected to valuation year plus 15 years Annuitant mortality is projected to valuation year plus 7 years
Marriage assumption	75% of active employees who retire with medical coverage will assume to cover their spouse
Retirement rates:	Firefighters are assumed to retire at age 55 General employees are assumed to retire no later than age 65
Healthcare cost trend rates	
Select rates - pre 65	Between 5.20% and 6.30%
Select rates - post 65	Between 5.20% and 6.90%
Ultimate rates - pre 65	4.4% per annum
Ultimate rates - post 65	4.5% per annum
Inflation rate	2.50%

*Funding Policy*

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits when earned and determined annually by the City's actuary. Pay-as-you-go financing is paid by the City and plan members and is accounted for in the City's General Fund. For the year ended September 30, 2015, the City made no contributions to the OPEB plan. It is the City's intent to base future OPEB Trust contributions on the actuarially determined annual required contribution (ARC) less pay-as-you-go financing; however, no future Trust contributions are legally or contractually required. The City shares the insurance premium costs by subsidizing two-thirds of the cost. Retiree plan members are responsible for the remaining portion. The contribution requirements of plan members are established and may be amended by the City Commissioners.

For the year ended September 30, 2015, the City's annual other post-employment benefit (OPEB) costs were as follows:

Annual required contribution	\$ 1,040,381
Interest on net OPEB obligation	(85,335)
Adjustment to annual required contribution	<u>103,325</u>
Annual OPEB cost	1,058,371
Estimated contributions made	<u>(979,609)</u>
Change in net OPEB obligation (asset)	78,762
Net OPEB obligation (asset), beg of year	<u>(1,422,253)</u>
Net OPEB obligation (asset), end of year	<u><u>\$ (1,343,491)</u></u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

*Trend information*

Fiscal year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation (Asset)	
9/30/2013	6.0%	\$ 1,206,469	70.9%	\$ (1,572,135)	
9/30/2014	6.0%	1,200,480	87.5%	(1,422,253)	
9/30/2015	6.0%	1,058,371	92.6%	(1,343,491)	

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Accrued Liability (AAL) (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c )	UAAL as a Percentage of Covered Payroll (b- a)/(c )
1/1/2015	\$ 7,065,769	\$19,895,952	\$12,830,183	35.5%	\$ 4,285,608	299.38%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 13 – PRIOR PERIOD ADJUSTMENT**

The City implemented GASB Statement Nos. 68, Accounting and Financial Reporting for Pension - an Amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68, effective October 1, 2014. Implementation of GASB No. 68 and 71 recognized the City's net pension liabilities, assets, and obligations for contributions made after the pension plan's actuarial measurement dates; therefore, the implementation of these statements resulted in the restatement of prior period net position for the fiscal year ended September 30, 2015.

	Governmental Activities	Business-Type Activities	Total
Net position, previously reported at September 30, 2014	\$ 67,587,199	\$ 44,380,804	\$ 111,968,003
Adjustments for GASB 68 and 71:			
Reduction in net pension asset	(204,344)	-	(204,344)
Increase in deferred outflow of resources	4,817,640	687,837	5,505,477
Increase in deferred inflow of resources	(1,047,092)	(317,317)	(1,364,409)
Increase in net pension liability	(29,334,997)	(2,953,322)	(32,288,319)
Incorrect classification of liability		(252,221)	(252,221)
Net position as restated	<u>\$ 41,818,406</u>	<u>\$ 41,545,781</u>	<u>\$ 83,364,187</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 14 – SUBSEQUENT EVENT**

*Advanced Refunding*

In April 2016, the City issued the General Obligation Refunding Bonds, Series 2016 for \$2,820,000. The bonds were issued to refund the General Obligation Bonds, Series 2010. The refunding of the series 2010 bonds will reduce the City's debt service payments over the next 20 years by approximately \$417,942 and obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$346,280 at a present value rate of approximately 2.28%. The bonds are payable in annual principal installments of various amounts based on the maturity of the bonds beginning October 15, 2016 through October 15, 2025 plus interest at 4.43% as accrued between each payment date with a final balloon payment of \$1,253,160.

**NOTE 15 - PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED**

GASB Statement No. 72 *"Fair Value Measurement and Application."* This Statement establishes guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2016. Management has not yet determined the effect that this Statement will have on the City's financial statements.

GASB Statement No. 73, *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68 and Amendments to Certain Provisions of GASB Statements 67 and 68."* This Statement amends certain provisions of GASB Statements 67 and 68 and addresses the recognition of the total pension liability of such plans and the disclosures necessary for the plans that did not meet the definition of GASB Statement no 68. GASB Statement No. 73 will be effective for the City beginning with its year ending September 30, 2016. Management has not yet determined the effect that this Statement will have on the City's financial statements.

GASB Statement No. 75, *"Financial Reporting for Postemployment Benefit Plans Other Than Pensions."* This Statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). The adoption of GASB 75 will require the City to record a material liability for the unfunded portion of its OPEB plan.

GASB Statement No. 76, *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."* This Statement identifies the hierarchy of generally accepted accounting principles (GAAP) used to prepare financial statement of state and local governments. It reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative literature and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes GASB Statement No. 55, amends GASB Statement No. 62 and will be effective for the City beginning with its year ending September 30, 2016. Management does not expect the adoption of this Statement to have a significant impact on the City's financial statements.

GASB Statement No. 77, *"Tax Abatement Disclosures."* This Statement improves financial reporting by providing users of financial statements access to information about tax abatements that is generally not publicly reported. It requires governments that enter into tax abatement agreements to disclose information about (1) the government's own tax abatement agreements and (2) those that are entered into by other governments and reduce the reporting government's tax revenues. It also requires governments that enter into tax abatement agreements to disclose other information about the agreements. The provisions of the Statement will be effective for the City beginning with its year ending September 30, 2017. Management has not yet determined the effect that this Statement will have on the city's financial statements.

GASB Statement No. 78, *"Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans."* This Statement addresses a practice issue regarding the scope and applicability of GASB Statement No. 68. It amends the scope and applicability of GASB Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions to employees

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2015

**NOTE 15 - PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)**

of state or local governmental employers or employees of employers that are not state or local governmental employers and (3) has no predominant state or local governmental employer. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2017. Management does not expect that this Statement will have any impact on the City's financial statements.

GASB Statement No. 79, "*Certain External Investment Pools and Pool Participants*." This Statement addresses accounting and financial reporting external investment pools and pool participants. It establishes criteria for an external investment pool to qualify to make the election to measure all of its investments at amortized cost for financial reporting purposes. The Statement also requires additional note disclosure requirements for qualifying external investment pools. Certain provisions of this Statement will be effective for the City beginning with its year ending September 30, 2016. Management has not yet determined the effect that this Statement will have on the City's financial statements.

GASB Statement No. 80, "*Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*." This Statement improves financial reporting by clarifying financial statement presentation requirements for certain component units and enhances the comparability of financial statements among governments. It amends the blending requirements established in paragraph 53 of Statement No. 14, "The Financial Reporting Entity," as amended. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2017. Management has not yet determined the effect that this Statement will have on the City's financial statements.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended September 30, 2015

	Budgeted Amount			
	Original	Final	Actual	Variance
REVENUES:				
Property taxes	\$ 16,600,628	\$ 16,600,628	\$ 16,650,291	\$ 49,663
Special Assessments	5,035,619	5,035,619	5,081,535	45,916
Franchise Fees	2,389,811	2,389,811	2,614,609	224,798
Utility Taxes	3,399,919	3,399,919	3,582,609	182,690
Licenses and permits	1,173,600	1,173,600	1,519,063	345,463
Intergovernmental	4,652,091	5,093,984	5,379,885	285,901
Charges for Services	3,440,674	3,440,674	3,638,794	198,120
Fines and forfeitures	572,333	572,333	513,704	(58,629)
Investment earnings (loss)	61,000	61,000	102,330	41,330
Miscellaneous	1,438,348	1,438,348	1,730,997	292,649
Total revenues	38,764,023	39,205,916	40,813,817	1,607,901
EXPENDITURES:				
General government				
Legislative	352,775	407,775	411,178	(3,403)
Executive:				
City Clerk	290,999	290,999	274,469	16,530
City Manager	699,334	978,269	772,278	205,991
Finance and administration:				
Human Resources	304,703	304,703	276,194	28,509
Finance & Info. Systems	1,557,301	1,636,659	1,589,494	47,165
General Services	1,930,525	1,783,355	1,558,948	224,407
Legal	922,955	1,087,955	904,794	183,161
Total general government	6,058,592	6,489,715	5,787,355	702,360
Public safety				
Code enforcement	625,744	625,734	582,013	43,721
Police	11,804,892	12,009,991	11,673,590	336,401
Fire	12,056,624	12,958,327	12,125,710	832,617
Total public safety	24,487,260	25,594,052	24,381,313	1,212,739
Highways and streets	2,154,806	2,575,488	1,693,019	882,469
Physical environment	3,713,147	3,732,365	3,575,657	156,708
Community redevelopment	542,018	708,990	566,705	142,285
Culture and recreation	2,692,486	2,720,553	2,489,397	231,156
Total expenditures	39,648,309	41,821,163	38,493,446	3,327,717
Excess of revenues over expenditures	(884,286)	(2,615,247)	2,320,371	4,935,618
OTHER FINANCING SOURCES (USES):				
Appropriation of prior year reserves	390,973	2,381,434	-	(2,381,434)
Transfers in	3,848,503	3,848,503	4,821,809	973,306
Transfers out	(3,355,190)	(3,612,690)	(4,118,997)	(506,307)
Total other financing sources (uses)	884,286	2,617,247	702,812	(1,914,435)
Net change in fund balances	\$ -	\$ 2,000	\$ 3,023,183	\$ 3,021,183

CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GRANT FUND  
For the Year Ended September 30, 2015

	Budgeted Amount Original and Final	Actual	Variance
REVENUES			
Intergovernmental	\$ 5,515,576	\$ 1,176,491	\$ (4,339,085)
Total revenues	5,515,576	1,176,491	(4,339,085)
EXPENDITURES			
Public safety	1,367,142	972,004	395,138
Highways and streets	160,987	-	160,987
Community redevelopment	155,442	115,736	39,706
Total expenditures	1,683,571	1,087,740	595,831
Excess (deficiency) of revenues over (under) expenditures	3,832,005	88,751	(3,743,254)
OTHER FINANCING SOURCES (USES):			
Transfers in	123,245	2,500	(120,745)
Total other financing sources (uses)	123,245	2,500	(120,745)
Net change in fund balances	\$ 3,955,250	\$ 91,251	\$ (3,863,999)

CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY REDEVELOPMENT AGENCY FUND  
For the Year Ended September 30, 2015

	Budgeted Amount Original and Final	Actual	Variance
REVENUES			
Investment earnings (loss)	\$ 2,000	\$ 4,377	\$ 2,377
Intergovernmental	406,048	30,000	(376,048)
Miscellaneous	63,800	144,977	81,177
Total revenues	471,848	179,354	(292,494)
EXPENDITURES			
Community redevelopment	2,740,229	1,203,070	1,537,159
Total expenditures	2,740,229	1,203,070	1,537,159
Excess (deficiency) of revenues over (under) expenditures	(2,268,381)	(1,023,716)	1,244,665
OTHER FINANCING SOURCES (USES):			
Transfers in	3,104,599	1,350,170	(1,754,429)
Transfers out	(836,218)	(460,170)	376,048
Total other financing sources (uses)	2,268,381	890,000	(1,378,381)
Net change in fund balances	\$ -	\$ (133,716)	\$ (133,716)

CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended September 30, 2015

**NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

(a) The City Manager submits to the Commission a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.

(b) Public hearings are conducted to obtain taxpayer comments.

(c) Prior to October 1, the annual budget is legally adopted through passage of an ordinance

(d) The City Commission, by motion may make supplemental appropriations to the budget. During the year ended September 30, 2015, there were no such supplemental appropriations for expenditures and transfers out of the General Fund.

(e) Formal budgetary integration is employed as a management control device for the General Fund.

(f) The Annual Budgets for the General Fund, Capital Projects Fund, Building Permit Fund, Community Redevelopment Agency Fund and Debt Service Fund are legally adopted on a basis consistent with generally accepted accounting principles (GAAP).

(g) Annual budgets are prepared for the Grants Fund, Donations Fund, the Tree Preservation Fund, the Perpetual Care Fund, the IT Parker Fund and the Law Enforcement Fund and RAC Traffic Mitigation Fund but they are not legally adopted.

(h) The City Manager is authorized to transfer part or all of an encumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Commission. The Classification detail at which expenditures may not legally exceed appropriations is at the departmental level.

CITY OF DANIA BEACH  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
Florida Retirement System  
Last 10 Fiscal Years\*

	<u>2015</u>	<u>2014**</u>
City's proportion of the net pension liability (asset)	0.01444%	0.01294%
City's proportionate share of the net pension liability (asset)     \$	1,865,110	\$     1,341,034
City's covered-employee payroll	4,881,158	4,323,045
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	38%	31%
Plan fiduciary net position as a percentage of the total pension liability	92%	96%

\* The amounts presented for each fiscal year were determined as of 6/30.

\*\* Information prior to 2014 is not available.

CITY OF DANIA BEACH  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
Florida Retirement System  
Last 10 Fiscal Years\*

	<u>2015</u>	<u>2014**</u>
Contractually required contribution	\$ 352,058	\$ 283,505
Contributions in relation to the contractually required contribution	352,058	283,505
Contribution deficiency (excess)	-	
City's covered-employee payroll	4,881,158	4,323,045
Contributions as a percentage of covered-employee payroll	7%	7%

\* The amounts presented for each fiscal year were determined as of 6/30.

\*\* Information prior to 2014 is not available.



CITY OF DANIA BEACH  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
Health Insurance Subsidy Plan  
Last 10 Fiscal Years\*

	<u>2015</u>	<u>2014**</u>
City's proportion of the net pension liability (asset)	0.01600%	0.01492%
City's proportionate share of the net pension liability (asset)    \$	1,631,743	\$    1,395,192
City's covered-employee payroll	4,881,158	4,323,045
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33%	32%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

\* The amounts presented for each fiscal year were determined as of 6/30.

\*\* Information prior to 2014 is not available.

CITY OF DANIA BEACH  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
Health Insurance Subsidy Plan  
Last 10 Fiscal Years\*

	<b>2015</b>	<b>2014**</b>
Contractually required contribution	\$ 61,162	\$ 51,116
Contributions in relation to the contractually required contribution	61,162	51,116
Contribution deficiency (excess)	-	-
City's covered-employee payroll	4,881,158	4,323,045
Contributions as a percentage of covered-employee payroll	1.25%	1.18%

\* The amounts presented for each fiscal year were determined as of 6/30.

\*\* Information prior to 2014 is not available.

CITY OF DANIA BEACH  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years as of September 30,

**Police and Firefighters' Pension Plan**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	3,967,948	2,987,487	2,283,943	1,876,694	1,330,774	1,246,516	1,191,837	1,134,502	1,055,904	890,422
Contributions in relation to the contractually required contribution	3,967,948	2,987,487	2,283,943	1,876,694	1,225,373	1,246,516	1,191,837	1,134,502	1,055,904	890,422
Contribution deficiency (excess)	-	-	-	-	105,401	-	-	-	-	-
Covered-employee payroll contributions as a percentage of covered-employee payroll	131%	99%	76%	68%	28%	30%	32%	33%	33%	29%

**General Employees' Pension Plan**

Contractually required contribution	1,320,091	1,123,817	1,364,774	961,045	887,150	683,091	595,676	547,027	632,162	688,860
Contributions in relation to the contractually required contribution	1,320,091	1,123,817	1,328,825	961,045	887,150	683,091	595,676	547,027	632,162	688,860
Contribution deficiency (excess)	-	-	35,949	-	-	-	-	-	-	-
Covered-employee payroll contributions as a percentage of covered-employee payroll	119.13%	103.41%	122.77%	72.82%	52.70%	33.46%	23.41%	19.29%	20.50%	17.35%

CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
POLICE AND FIREFIGHTERS' PENSION PLAN  
SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY  
AND RELATED RATIOS  
For the Year Ended September 30,

	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>		
Service cost	\$ 1,145,724	\$ 1,067,760
Interest	4,171,246	3,944,144
Difference between actual and expected experience	392,918	(23,067)
Assumption changes	1,666,373	2,894,544
Benefit payments	(3,803,361)	(2,922,426)
Other (increase in state and health insurance reserves) and present value of buybacks)	435,428	210,585
<b>Net change in total pension liability</b>	4,008,328	5,171,540
<b>Total pension liability -Beginning</b>	58,290,382	53,118,842
<b>Total pension liability -Ending (a)</b>	\$ 62,298,710	\$ 58,290,382
<b>Plan fiduciary net position</b>		
Contributions - employer	3,776,003	2,795,542
Contributions - employer (from State)	441,891	466,381
Contributions - member	730,772	745,561
Net investment income	(197,718)	2,435,693
Benefit payments	(3,803,361)	(2,922,426)
Administrative expense	(141,008)	(135,697)
Other (buybacks net of payments towards buyback balances)	58,192	173,969
<b>Net change in plan fiduciary net position</b>	864,771	3,559,023
<b>Plan fiduciary net position - beginning</b>	32,993,859	29,434,836
<b>Plan fiduciary net position - ending (b)</b>	\$ 33,858,630	\$ 32,993,859
<b>Net pension liability -ending (a) - (b)</b>	\$ 28,440,080	\$ 25,296,523
<b>Plan fiduciary net position as a percentage of total pension liability</b>	54.35%	56.60%
<b>Covered employee payroll</b>	\$ 3,020,808	\$ 3,002,671
<b>Net pension liability as a percentage of covered employee payroll</b>	941.47%	842.47%

CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL EMPLOYEE'S PENSION PLAN  
SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY  
AND RELATED RATIOS  
For the Year Ended September 30,

	<b>2014*</b>
<b>Total pension liability</b>	
Service cost	\$ 237,731
Interest	1,788,524
Benefit Changes	-
Difference between actual and expected experience	(46,534)
Assumption changes	593,408
Benefit payments	(1,643,035)
<b>Net change in total pension liability</b>	<u>930,094</u>
<b>Total pension liability -Beginning</b>	25,256,403
<b>Total pension liability -Ending (a)</b>	<u>\$ 26,186,497</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	1,123,817
Contributions - member	214,524
Net investment income	1,330,113
Benefit payments	(1,643,035)
Administrative expense	(90,200)
<b>Net change in plan fiduciary net position</b>	<u>935,219</u>
<b>Plan fiduciary net position - beginning</b>	18,836,991
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 19,772,210</u>
<b>Net pension liability -ending (a) - (b)</b>	<u>\$ 6,414,287</u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	75.51%
<b>Covered employee payroll</b>	\$ 1,964,471
<b>Net pension liability as a percentage of covered employee payroll</b>	326.51%

\*2015 not available

CITY OF DANIA BEACH, FLORIDA  
POLICE AND FIREFIGHTERS' PENSION PLAN  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RATIOS  
AND SCHEDULE OF CONTRIBUTIONS  
For the Year Ended September 30, 2015

**Valuation Date:** October 1, 2013

**Measurement Date:** September 30, 2014

**Notes** Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Net Pension Liability:**

Actuarial Cost Method 50% recognition of Aggregate method and 50% recognition of Entry Age Normal method.

Amortization Method N/A for Aggregate method; level dollar, closed for Entry Age Normal method.

Remaining Amortization Period N/A for Aggregate method; for Entry Age Normal method, 11 years for Police Officers and 26 years for Firefighters.

Asset Valuation Method 5-year smoothed market

Inflation 3.0%

Salary Increases 6.0%

Investment Rate of Return 7.5% (7.25% for net pension liability)

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition.

Mortality 50% recognition of RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB and 50% recognition of 1983 Group Annuity Mortality Table for males and females with no provision for future mortality improvement.

**Other Information:**

**Notes** See Discussion of Valuation Results in the October 1, 2013 Actuarial Valuation Report; effective as of October 1, 2014, the Aggregate method and updated mortality assumption were fully phased-in and the investment return assumption was lowered to 7.25%. Effective as of October 1, 2015, the investment return assumption was lowered to 7.00%.

CITY OF DANIA BEACH, FLORIDA  
GENERAL EMPLOYEES' PENSION PLAN  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RATIOS  
AND SCHEDULE OF CONTRIBUTIONS  
For the Year Ended September 30, 2015

**Valuation Date:** October 1, 2013

**Measurement Date:** September 30, 2014

**Methods and Assumptions Used to Determine Net Pension Liability:**

Actuarial Cost Method	Entry Age Normal
Inflation	3.00%
Salary Increases	4.00%
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA.

**Other Information:**

Notes	See Discussion of Valuation Results in the October 1, 2014 Actuarial Valuation Report; as reflected above, effective as of October 1, 2014, the investment return assumption was lowered to 7.00%. Effective as of October 1, 2015 the investment return assumption was lowered to 6.75%.
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CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST EMPLOYMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS AND CONTRIBUTIONS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)*(b)	Unfunded Actuarial Accrued Liabilities (UAAL)** (b-a)	Covered Payroll (c)	UAAL as a % of Covered Payroll	Funded Ratio (a)/(b)
10/1/2010	3,562,515	23,495,201	19,932,686	10,628,584	187.54%	15.16%
10/1/2011	5,329,492	23,988,165	18,658,673	5,753,797	324.28%	22.22%
10/1/2012	6,350,623	21,498,862	15,148,239	5,084,811	297.91%	29.54%
10/1/2013	6,929,822	21,989,244	15,059,422	4,285,608	351.40%	31.51%
10/1/2014	7,065,769	19,895,952	12,830,183	4,881,158	262.85%	35.51%

\* Actuarial Accrued Liability determined under the projected unit credit cost method.

\*\* Actuarial Accrued Liability less Actuarial Value of Assets.

Year Ended September 30,	Annual Required Contribution	Percentage Contributed (Estimated)
2010	\$ 1,225,373	100.0%
2011	1,568,305	84.4%
2012	1,182,149	72.4%
2013	1,200,480	87.5%
2014	1,040,381	94.2%
2015	1,180,594	89.0%



CITY OF DANIA BEACH, FLORIDA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF PENSION FUNDING PROGRESS AND CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS  
For the Year Ended September 30, 2015

**NOTE 1 – ASSUMPTIONS DATES AND RATES**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation date	October 1, 2014
Actuarial cost method	Project Unit Credit Method
Amortization method	Level Percent
Remaining amortization period (years)	30 Years
Actuarial assumptions -	
Discount rate for valuing liabilities	6.0%
Includes inflation and other general increases at	2.50%
Cost of Living adjustments	N/A
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition

Actuarially determined contribution rates are calculated as of October 1, 2014, which is a year prior to the end of the fiscal year in which contributions are reported.

**NOTE 2 – SINGLE DISCOUNT RATE**

A single discount rate of 6.0% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.0%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.0%) was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 3 – AVAILABLE INFORMATION**

These schedules will contain 10 years of data, as information is available.

## **OTHER SUPPLEMENTARY INFORMATION**

## NONMAJOR GOVERNMENTAL FUNDS

### **Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation. The City's Special Revenue Funds and their purposes are:

**Donations Fund** - Accounts for contributions from local civic organizations for the administration of cultural and recreational activities within the City.

**Perpetual Care Fund** – Accounts for contributions from local civic organizations for the administration of cultural and recreational activities within the City.

**Tree Preservation Fund** – Accounts for the collection of tree removal fees to be used for the preservation, maintenance, relocation, or restoration of tree ecosystems.

**Law Enforcement Trust Fund** – Accounts for funds received from forfeitures, to be used for the police equipment, training or crime prevention programs.

**Building Permit Fund** - Accounts for monies received from the issuance of building permits.

**RAC Traffic Mitigating Fund** – Accounts for a transportation mitigation fee for new development in the Regional Activity Center.

### **Debt Service Fund**

This fund is used to account for the (i) payment of principal and interest on the City's revenue bond used for the construction of the municipal fishing pier and are payable from sales tax revenue; (ii) payments of principal and interest on the general obligation bond for neighborhood improvements, parks and recreation centers, improvements and the building of a fire station

CITY OF DANIA BEACH, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2015

	Special Revenue Funds						Total Nonmajor
	Donations	Perpetual Care	Tree Preservation	Law Enforcement	Building Permit	RAC Traffic Mitigation Fund	Total Nonmajor Governmental Funds
ASSETS:							
Current Assets							
Cash, cash equivalents and investments	\$ 17,410	\$ 562,977	\$ 234,777	\$ 212,380	\$ 1,894,925	\$ 957	\$ 2,923,426
Receivables, net							
Customer / other, net	-	450	-	-	130	-	580
Restricted assets:							
Total assets	<u>17,410</u>	<u>563,427</u>	<u>234,777</u>	<u>212,380</u>	<u>1,895,055</u>	<u>957</u>	<u>2,924,006</u>
LIABILITIES AND							
FUND BALANCES:							
Liabilities							
Accounts payable and accrued liabilities	-	-	-	-	196,448	-	196,448
Due to other funds	-	-	-	-	6,887	-	6,887
Due to other governmental agencies	-	-	-	-	23,187	-	23,187
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,522</u>	<u>-</u>	<u>226,522</u>
Fund balance							
Public safety	-	-	-	212,380	-	957	213,337
Building code costs	-	-	-	-	1,668,533	-	1,668,533
Maintenance of cemeteries	-	563,427	-	-	-	-	563,427
Capital projects	17,410	-	-	-	-	-	17,410
Tree preservation	-	-	234,777	-	-	-	234,777
Total fund balances (deficit)	<u>17,410</u>	<u>563,427</u>	<u>234,777</u>	<u>212,380</u>	<u>1,668,533</u>	<u>957</u>	<u>2,697,484</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 17,410</u>	<u>\$ 563,427</u>	<u>\$ 234,777</u>	<u>\$ 212,380</u>	<u>\$ 1,895,055</u>	<u>\$ 957</u>	<u>\$ 2,924,006</u>

CITY OF DANIA BEACH, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended September 30, 2015

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Donations	Perpetual Care	Tree Preservation	Law Enforcement	Building Permit	RAC Traffic Mitigation Fund
REVENUES:						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 2,675,436	\$ 957
Charges for Services	-	31,100	-	-	-	-
Fines and forfeitures	-	-	-	51,787	-	-
Investment earnings (loss)	-	1,598	-	2	3,201	-
Miscellaneous	-	-	60,336	-	8,687	-
Total revenues	-	32,698	60,336	51,789	2,687,324	957
EXPENDITURES:						
Debt Service						
Public safety	-	-	-	10,200	-	-
Community redevelopment	-	-	-	-	1,648,685	-
Total expenditures	-	-	-	10,200	1,648,685	-
Excess (deficiency) of revenues over expenditures	-	32,698	60,336	41,589	1,038,639	957
OTHER FINANCING SOURCES (USES):						
Transfers out	-	(55,000)	-	-	(533,492)	-
Total other financing sources (uses)	-	(55,000)	-	-	(533,492)	-
Net change in fund balances	-	(22,302)	60,336	41,589	505,147	957
FUND BALANCES, beginning of year	17,410	585,729	174,441	170,791	1,163,386	-
FUND BALANCES, end of year	\$ 17,410	\$ 563,427	\$ 234,777	\$ 212,380	\$ 1,668,533	\$ 957

## NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing goods and services to the general public on a continuing basis be financed or recovered determination of revenues earned, expenses incurred, and /or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains two nonmajor enterprise funds.

**Parking fund:** to account for revenues and expenses of the City's parking-related operations. The Parking Fund includes all parking costs of the City's beach and marina parking areas as well as operation of the City's downtown parking garage facility and future on-street metered parking. Annual expenses include parking compliance staff and automotive equipment, equipment and banking collection costs, direct costs of collection equipment and facility insurance and allocation of the City's common administrative costs.

**Pier Fund:** To account for revenues and expenses of the City's public Pier that is located at Dania beach on the Atlantic Ocean. The Pier Fund includes revenues and expenses from Pier areas open for public fishing and spectator access; it does not reflect rental operations of the City's restaurant facility located at the Pier entrance. Annual expenses include contracted staffing, direct merchandise sales, equipment and bank collection costs and an allocation of the City's common administrative costs.

CITY OF DANIA BEACH, FLORIDA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
September 30, 2015

	Parking	Pier Operations	Total Non-Major Proprietary Funds
<b>ASSETS:</b>			
Current Assets:			
Cash, cash equivalents and investments	\$ 2,186,671	\$ 105,842	\$ 2,292,513
Due from other governments	15,681	-	15,681
Total current assets	<u>2,202,352</u>	<u>105,842</u>	<u>2,308,194</u>
Noncurrent assets:			
Capital assets being depreciated, net	132,049	15,188	147,237
Total noncurrent assets	<u>132,049</u>	<u>15,188</u>	<u>147,237</u>
Total assets	<u>2,334,401</u>	<u>121,030</u>	<u>2,455,431</u>
<b>DEFERRED OUTFLOW</b>			
Deferred outflows - pensions	96,868	-	96,868
Total deferred outflow	<u>96,868</u>	<u>-</u>	<u>96,868</u>
<b>LIABILITIES AND NET ASSETS:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	28,653	42,987	71,640
Due to other funds	1,769	-	1,769
Due to other governmental agencies	273,790	2,371	276,161
Deposits	30	-	30
Total current liabilities	<u>304,242</u>	<u>45,358</u>	<u>349,600</u>
Noncurrent liabilities:			
Compensated absences-current	3,219	-	3,219
Compensated absences	18,239	-	18,239
Total noncurrent liabilities	<u>21,458</u>	<u>-</u>	<u>21,458</u>
Net pension liability	<u>225,383</u>	<u>-</u>	<u>225,383</u>
Total liabilities	<u>551,083</u>	<u>45,358</u>	<u>596,441</u>
<b>DEFERRED INFLOW</b>			
Deferred inflows - revenues	4,480	-	4,480
Deferred inflows - pensions	31,556	-	31,556
Total deferred inflow	<u>36,036</u>	<u>-</u>	<u>36,036</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	132,049	15,188	147,237
Unrestricted	<u>1,712,101</u>	<u>60,484</u>	<u>1,772,585</u>
Total net position	<u>\$ 1,844,150</u>	<u>\$ 75,672</u>	<u>\$ 1,919,822</u>

CITY OF DANIA BEACH, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, and  
 CHANGES IN NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 For the year Ended September 30, 2015

	Parking	Pier Operations	Total Non-Major Proprietary Funds
OPERATING REVENUES:			
Charges for services	\$ 1,419,075	\$ 288,245	\$ 1,707,320
Fines and forfeitures	224,925	-	224,925
Miscellaneous	600	175,297	175,897
Total operating revenues	<u>1,644,600</u>	<u>463,542</u>	<u>2,108,142</u>
OPERATING EXPENSES:			
Operations and maintenance	530,997	411,954	942,951
Depreciation	17,095	3,765	20,860
Total operating expenses	<u>548,092</u>	<u>415,719</u>	<u>963,811</u>
Operating income	<u>1,096,508</u>	<u>47,823</u>	<u>1,144,331</u>
TRANSFERS:			
Transfers out	<u>(654,741)</u>	<u>(57,836)</u>	<u>(712,577)</u>
Total transfers	<u>(654,741)</u>	<u>(57,836)</u>	<u>(712,577)</u>
Change in net position	441,767	(10,013)	431,754
NET POSITION, beginning of year	1,558,977	85,685	1,644,662
Prior period adjustment	(156,594)	-	(156,594)
NET POSITION, restated	<u>1,402,383</u>	<u>85,685</u>	<u>1,488,068</u>
NET POSITION, end of year	<u>\$ 1,844,150</u>	<u>\$ 75,672</u>	<u>\$ 1,919,822</u>



CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
For the Year Ended September 30, 2015

	Parking	Pier Operations	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 1,645,824	\$ 465,253	\$ 2,111,077
Payments to employees	(273,457)	-	(273,457)
Payments to suppliers	(233,352)	(385,796)	(619,148)
Net cash provided by operating activities	1,139,015	79,457	1,218,472
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash provided from (to) other funds	(653,654)	(57,836)	(711,490)
Net cash (used in) non-capital financing activities	(653,654)	(57,836)	(711,490)
Net increase in cash and cash equivalents	485,361	21,621	506,982
CASH AND CASH EQUIVALENTS, beginning of year	1,701,310	84,221	1,785,531
CASH AND CASH EQUIVALENTS, end of year	\$ 2,186,671	\$ 105,842	\$ 2,292,513
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income	\$ 1,096,508	\$ 47,823	\$ 1,144,331
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Provision for depreciation	17,096	3,765	20,861
(Increase) decrease in:			
Accounts receivable		1,711	1,711
Due from other governmental agencies	1,359	269	1,628
Deferred outflows	(24,579)	-	(24,579)
Increase (decrease) in:			
Accounts payable and accrued liabilities	5,857	25,889	31,746
Deposits	(30)		(30)
Other liabilities	-	-	-
Deferred inflows	(56,608)	-	(56,608)
Net pension liability	84,559	-	84,559
Compensated absences	14,853	-	14,853
Total adjustments	42,507	31,634	74,141
Net cash provided by operating activities	\$ 1,139,015	\$ 79,457	\$ 1,218,472

## TRUST FUNDS

### **Pension Trust Funds**

Trust funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. The City has two Pension trust funds:

**General Employees' Pension Fund** – To account for the accumulation of resources to be used for retirement benefit payments to the City's general employees.

**Police and Firefighters' Pension Fund** – To account for the accumulation of resources to be used for retirement benefit payments to the City's police officers and firefighters.

**OPEB Trust Fund** - To account for the accumulation of resources to be used for other post-employment benefit payments on behalf of the City's employees. Resources are contributed by the City at rates determined by the City's actuary.

CITY OF DANIA BEACH, FLORIDA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
September 30, 2015

	General Employees Pension	Police and Firefighters Pension	Other Post- Employment Benefits	Total
<b>ASSETS:</b>				
Investments, at fair value:				
Cash and money market funds	\$ 101,647	\$ 3,329,456	\$ -	\$ 3,431,103
Common Stocks	11,030,029	16,933,076	-	27,963,105
Mutual Funds	919,224	2,166,425	7,038,567	10,124,216
Corporate and foreign bonds	2,261,187	2,730,831	-	4,992,018
Partnership/Joint venture	1,886,247	-	-	1,886,247
Real estate	-	4,483,663	-	4,483,663
Government securities	2,990,680	3,713,735	-	6,704,415
Total investments	19,189,014	33,357,186	7,038,567	59,584,767
Receivables:				
State contributions	-	37,279	-	37,279
Employee contributions	-	55,487	-	55,487
Employer contributions	67,791	124,482	-	192,273
Accrued interest receivable	53,416	44,456	-	97,872
Due from broker for securities sold	-	57,153	-	57,153
Loans to DROP participants	18,275	311,123	-	329,398
Total receivables	139,482	629,980	-	769,462
Prepays	-	62,710	-	62,710
Total assets	19,328,496	34,049,876	7,038,567	60,416,939
<b>LIABILITIES:</b>				
Accounts payable	-	38,275	-	38,275
Due for securities purchased	-	152,971	-	152,971
Total liabilities	-	191,246	-	191,246
<b>NET POSITION:</b>				
Net position restricted for DROP benefits	1,254,867	783,646	-	2,038,513
Net position restricted for defined benefits	18,073,629	33,074,984	7,038,567	58,187,180
	<u>\$ 19,328,496</u>	<u>\$ 33,858,630</u>	<u>\$ 7,038,567</u>	<u>\$ 60,225,693</u>

CITY OF DANIA BEACH, FLORIDA  
 COMBINING STATEMENT OF CHANGES OF FIDUCIARY NET POSITION  
 PENSION TRUST FUNDS  
 September 30, 2015

	General Employees Pension	Police and Firefighters Pension	Other Post- Employment Benefits	Total
ADDITIONS:				
Contributions:				
Employees	\$ 218,073	\$ 730,772	\$ -	\$ 948,845
Employer	1,387,882	3,776,003	-	5,163,885
Buybacks	-	185,482	-	185,482
State	-	441,891	-	441,891
Total contributions	1,605,955	5,134,148	-	6,740,103
Investment income:				
Net appreciation in fair value of investments	( 712,159)	( 725,915)	( 608,747)	( 2,046,821)
Interest and dividends	377,683	738,014	581,545	1,697,242
Total investment income	( 334,476)	12,099	( 27,202)	( 349,579)
Investment expenses	( 119,163)	( 213,753)	-	( 332,916)
Net investment income	( 453,639)	( 201,654)	( 27,202)	( 682,495)
Other income	27,850	3,935	-	31,785
Total additions	1,180,166	4,936,429	( 27,202)	6,089,393
DEDUCTIONS:				
Pension benefits paid	1,545,461	3,930,650	-	5,476,111
Administrative expenses	77,849	141,008	-	218,857
Total deductions	1,623,310	4,071,658	-	5,694,968
Change in net position	( 443,144)	864,771	( 27,202)	394,425
Net position - beginning	19,771,640	32,993,859	7,065,769	59,831,268
Net position - ending	\$ 19,328,496	\$ 33,858,630	\$ 7,038,567	\$ 60,225,693

CITY OF DANIA BEACH, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
BUILDING PERMIT FUND  
For the Year Ended September 30, 2015

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses and permits	\$ 2,082,390	\$ 2,082,390	\$ 2,678,636	\$ 596,246
Miscellaneous revenues	6,430	6,430	8,687	2,257
Total revenues	<u>2,088,820</u>	<u>2,088,820</u>	<u>2,687,323</u>	<u>598,503</u>
EXPENDITURES				
General government	<u>1,555,328</u>	<u>1,755,328</u>	<u>1,648,684</u>	<u>106,644</u>
Total expenditures	<u>1,555,328</u>	<u>1,755,328</u>	<u>1,648,684</u>	<u>106,644</u>
Excess (deficiency) of revenues over expenditures	<u>533,492</u>	<u>333,492</u>	<u>1,038,639</u>	<u>705,147</u>
OTHER FINANCING SOURCES (USES):				
Appropriation of prior year reserves	-	200,000	-	(200,000)
Transfers in	-	-	-	-
Transfers out	<u>(533,492)</u>	<u>(533,492)</u>	<u>(533,492)</u>	<u>-</u>
Total other financing sources (uses)	<u>(533,492)</u>	<u>(333,492)</u>	<u>(533,492)</u>	<u>(200,000)</u>
Excess (deficiency) in revenues over expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>505,147</u>	\$ <u>505,147</u>

CITY OF DANIA BEACH, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
For the Year Ended September 30, 2015

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 71	\$ 71
Total revenues	-	-	71	71
EXPENDITURES				
Debt Service:				
Principal	944,655	944,655	6,300,947	(5,356,292)
Interest and fiscal charges	469,366	469,366	457,262	12,104
Total expenditures	1,414,021	1,414,021	6,758,209	(5,344,188)
Excess (deficiency) of revenues over expenditures	(1,414,021)	(1,414,021)	(6,758,138)	(5,344,117)
OTHER FINANCING SOURCES (USES):				
Debt issuance costs	-	-	(83,008)	(83,008)
Debt proceeds	-	-	5,440,773	5,440,773
Transfers in	(1,414,021)	1,414,021	1,414,020	(1)
Total other financing sources (uses)	(1,414,021)	1,414,021	6,771,785	5,357,764
Net change in fund balance	\$ -	\$ -	\$ 13,647	\$ 13,647

CITY OF DANIA BEACH, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
For the Year Ended September 30, 2015

	Budgeted Amount			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES	\$	\$	\$	\$
General government	-	250,000	-	250,000
Highways and streets	185,000	308,523	28,423	280,100
Culture and recreation	525,000	3,337,533	408,433	2,929,100
Total expenditures	710,000	3,896,056	436,856	3,459,200
Excess (deficiency) of revenues over expenditures	(710,000)	(3,896,056)	(436,856)	3,459,200
OTHER FINANCING SOURCES (USES):				
Appropriations from prior year reserves	-	2,936,056	-	(2,936,056)
Transfers in	710,000	960,000	960,000	-
Total other financing sources (uses)	710,000	3,896,056	960,000	(2,936,056)
Net change in fund balance	\$ -	\$ -	\$ 523,144	\$ 523,144

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## **STATISTICAL SECTION**

CITY OF DANIA BEACH, FLORIDA  
STATISTICAL SECTION  
For the Year Ended September 30, 2015

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS	PAGES
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	116-121
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	122-125
<b>Debt Capacity</b> These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	126-131
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader Understand the environment within which the City's financial activities take place and To help make comparisons over time and with other governments	132-133
<b>Operating Information</b> These schedules contain information about the City's operations and resources to help The reader understand how the City's financial information relates to the services the City provides and the activities it performs	134-136

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF DANIA BEACH, FLORIDA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

TABLE 1

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>GOVERNMENTAL ACTIVITIES:</b>										
Invested in capital assets, net of related debt	\$ 28,700,867	\$ 31,017,715	\$ 33,549,856	\$ 33,183,331	\$ 36,452,629	\$ 36,656,751	\$ 39,096,333	\$ 42,228,983	\$ 37,188,106	\$ 35,872,543
Restricted	13,212,590	10,865,600	7,143,153	2,731,011	3,575,974	2,262,284	2,534,322	3,242,162	2,496,639	-
Unrestricted	10,027,318	18,555,658	23,916,145	31,361	28,265,537	25,366,659	23,978,864	22,886,462	27,902,454	6,163,046
Total governmental activities net position	<u>51,940,775</u>	<u>60,438,973</u>	<u>64,609,154</u>	<u>66,275,606</u>	<u>68,294,140</u>	<u>64,285,694</u>	<u>65,609,519</u>	<u>68,357,607</u>	<u>67,587,199</u>	<u>42,035,589</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>										
Invested in capital assets, net of related debt	15,298,530	14,894,916	14,772,216	17,305,168	20,685,775	22,529,051	19,997,679	20,527,954	25,368,100	23,941,609
Restricted	3,360,050	4,281,063	4,284,941	3,238,789	2,955,589	3,239,786	2,911,547	3,195,927	2,557,073	(1,155,880)
Unrestricted	4,557,490	4,885,005	5,444,242	5,066,334	3,513,512	6,980,922	10,864,400	9,774,194	16,455,631	17,924,581
Total business-type activities net position	<u>23,216,070</u>	<u>24,060,984</u>	<u>24,501,399</u>	<u>25,610,291</u>	<u>27,154,876</u>	<u>32,749,759</u>	<u>33,773,626</u>	<u>33,498,075</u>	<u>44,380,804</u>	<u>40,710,310</u>
<b>PRIMARY GOVERNMENT</b>										
Invested in capital assets, net of related debt	43,999,397	45,912,631	48,322,072	49,488,499	57,138,404	59,185,802	59,094,012	62,756,937	62,556,206	59,814,152
Restricted	16,572,640	15,146,663	11,428,094	5,969,800	6,531,563	5,502,070	5,445,869	6,438,090	5,053,712	(1,155,880)
Unrestricted	14,584,808	23,440,663	29,360,387	36,427,598	31,779,049	32,347,581	34,843,264	32,660,656	44,358,085	24,087,627
Total primary government net position	<u>\$ 75,156,845</u>	<u>\$ 84,499,957</u>	<u>\$ 89,110,553</u>	<u>\$ 91,885,897</u>	<u>\$ 95,449,016</u>	<u>\$ 97,035,453</u>	<u>\$ 99,383,145</u>	<u>\$ 101,855,683</u>	<u>\$ 111,968,003</u>	<u>\$ 82,745,899</u>

CITY OF DANIA BEACH, FLORIDA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

TABLE 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>EXPENSES:</b>										
Governmental activities:										
General government	\$ 9,751,310	\$ 8,146,290	\$ 8,874,100	\$ 9,040,937	\$ 8,147,507	\$ 9,167,195	\$ 8,741,494	\$ 7,404,873	\$ 6,097,585	\$ 6,112,551
Public safety	16,264,293	16,739,064	17,651,948	19,672,196	20,775,149	22,604,730	22,030,147	22,673,356	24,070,777	25,400,964
Highways and streets	2,389,021	2,620,652	2,710,987	2,780,790	2,250,950	1,616,983	1,795,574	2,165,939	2,454,846	2,717,458
Physical environment	2,436,496	2,416,031	2,493,452	2,208,629	2,812,528	3,019,840	2,905,797	3,133,648	3,846,522	3,774,582
Culture and recreation	3,039,681	307,745	3,503,091	3,148,906	3,284,918	3,912,623	3,663,648	3,253,312	3,299,230	3,147,016
Community redevelopment	-	-	231,915	661,950	1,318,685	1,688,410	1,513,049	3,808,510	3,298,782	3,539,737
Interest expense	627,913	645,326	605,738	548,514	503,330	675,607	620,546	962,465	484,334	208,425
Total governmental activities expenses	34,508,714	33,644,408	36,071,231	38,061,922	39,093,067	42,685,388	41,270,255	43,402,103	43,552,076	44,900,733
Business-type activities:										
Water	2,501,748	2,580,820	4,305,175	2,683,359	2,981,620	3,000,283	4,086,778	3,884,997	3,947,252	4,117,523
Sewer	3,254,899	3,317,021	2,544,161	3,775,635	4,525,526	4,662,042	5,120,193	5,345,282	4,422,730	3,693,787
Stormwater	741,398	742,391	730,298	845,123	850,813	904,739	1,315,519	1,010,648	904,203	877,269
Parking	-	-	-	-	2,791	481,255	227,461	273,966	340,574	548,092
Pier operations	-	-	-	-	-	63,279	243,403	330,729	275,754	415,719
Marina operations	-	-	-	-	-	-	-	169,614	351,774	718,044
Total business-type activities expenses	6,498,045	6,640,232	7,579,634	7,304,117	8,360,750	9,111,598	10,993,354	11,015,236	10,242,287	10,370,434
Total primary government expenses	\$ 41,006,759	\$ 40,284,640	\$ 43,650,865	\$ 45,366,039	\$ 47,453,817	\$ 51,796,986	\$ 52,263,609	\$ 54,417,339	\$ 53,794,363	\$ 55,271,167
<b>PROGRAM REVENUES:</b>										
Governmental activities:										
Charges for services:										
General government	\$ 3,028,662	\$ 3,392,159	\$ 3,229,456	\$ 4,342,675	\$ 3,394,372	\$ 3,339,702	\$ 3,948,721	\$ 3,714,622	\$ 3,440,054	\$ 4,550,523
Public safety	3,554,444	3,644,256	3,894,694	4,138,761	3,829,501	5,089,902	5,286,026	5,297,301	6,824,324	6,656,338
Highways and streets	272,713	390,453	437,157	448,821	449,083	36,487	26,973	-	-	957
Physical environment	1,902,220	1,934,499	1,901,323	1,904,643	2,134,197	1,843,507	1,904,606	2,037,219	2,012,046	2,064,089
Culture and recreation	241,704	807,790	431,859	360,097	285,498	293,613	403,927	128,635	121,649	240,469
Operating grants and contributions	3,380,405	1,311,215	448,122	279,490	330,046	739,742	866,809	265,678	486,672	1,001,165
Capital grants and contributions	104,232	662,682	166,553	650	3,263,346	320,526	525,236	603,553	4,895,611	205,326
Total governmental activities program revenues	12,484,380	12,143,054	10,509,164	11,475,137	13,686,043	11,663,479	12,962,298	12,047,008	17,780,356	14,718,867

CITY OF DANIA BEACH, FLORIDA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(continued)

TABLE 2 (Cont'd)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Water	3,892,985	3,395,399	3,392,757	3,700,510	4,259,810	4,905,537	5,335,472	5,479,402	5,518,175	5,619,733
Sewer	3,096,811	3,320,400	3,783,524	4,199,198	4,814,985	5,325,944	6,285,784	6,771,028	7,035,606	6,653,703
Stormwater	821,925	822,662	1,102,906	998,697	1,146,489	2,034,254	2,083,596	1,949,507	1,927,483	2,033,947
Parking	-	-	-	-	-	623,950	699,946	1,052,362	1,421,597	1,644,600
Pier operations	-	-	-	-	-	93,847	373,536	362,849	356,454	463,542
Marina operations	-	-	-	-	-	-	-	162,115	307,557	775,742
Operating grants and contributions	20,021	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	2,550,000	-	-	-	-
Total business-type activities program revenues	7,831,742	7,538,461	8,279,187	8,898,405	10,221,284	15,533,532	14,778,334	15,777,263	16,566,872	17,191,267
Total primary government program revenue	\$ 19,316,122	\$ 19,681,515	\$ 18,788,351	\$ 20,373,542	\$ 23,907,327	\$ 27,197,011	\$ 27,740,632	\$ 27,824,270	\$ 34,347,228	\$ 31,910,134
NET EXPENSE/REVENUE:										
Governmental activities	\$ (22,024,335)	\$ (21,501,354)	\$ (25,562,067)	\$ (26,586,785)	\$ (25,407,024)	\$ (31,021,909)	\$ (28,307,957)	\$ (31,355,094)	\$ (25,771,720)	\$ (30,181,866)
Business-type activities	333,697	898,229	699,553	1,594,288	1,860,534	6,421,934	3,784,980	4,762,025	6,324,585	6,820,833
Total primary government net expense	(21,690,638)	(20,603,125)	(24,862,514)	(24,992,497)	(23,546,490)	(24,599,975)	(24,522,977)	(26,593,069)	(19,447,135)	(23,361,033)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Taxes:										
Property taxes	15,731,757	17,691,570	17,452,748	16,798,253	16,750,836	15,872,847	15,604,005	15,467,882	16,135,270	16,650,291
Franchise fees	2,231,584	2,311,503	2,306,262	2,282,918	2,068,527	2,123,895	2,238,321	2,292,448	2,619,934	2,614,609
Utility taxes	3,965,173	4,013,192	4,332,499	4,212,067	4,364,708	4,288,639	4,300,248	4,617,269	3,543,297	3,582,609
Intergovernmental	3,164,473	3,096,652	3,357,296	3,148,474	3,054,591	3,189,370	3,494,027	3,669,786	5,165,694	5,379,885
Investment earnings	1,308,691	1,973,323	1,561,622	813,306	512,983	126,727	183,364	81,131	63,049	111,579
Miscellaneous	312,721	195,941	233,861	455,861	334,933	563,009	1,029,975	3,393,790	2,020,684	1,898,046
Transfers	459,995	478,334	487,960	542,358	338,980	848,976	2,781,842	5,050,838	(4,546,616)	3,380,840
Total governmental activities	27,174,394	29,760,515	29,732,248	28,253,237	27,425,558	27,013,463	29,631,782	34,573,144	25,001,312	33,617,859
Business-type activities:										
Investment earnings	329,361	425,019	228,822	56,962	23,031	21,925	20,729	13,261	11,528	24,821
Miscellaneous	985,102	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Transfers	(459,995)	(478,334)	(487,960)	(542,358)	(338,980)	(848,976)	(2,781,842)	(5,050,838)	4,546,616	(3,380,840)
Total business-type activities	854,468	(53,315)	(259,138)	(485,396)	(315,949)	(827,051)	(2,761,113)	(5,037,577)	4,558,144	(3,356,019)
Total primary government general revenue	28,028,862	29,707,200	29,473,110	27,767,841	27,109,609	26,186,412	26,870,669	29,535,567	29,559,456	30,261,840
CHANGE IN NET POSITION:										
Governmental activities	5,150,060	8,259,161	4,170,181	1,666,452	2,018,534	(4,008,446)	1,323,825	3,218,048	(770,408)	3,435,993
Business-type activities	1,188,165	844,914	440,415	1,108,892	1,544,585	5,594,883	1,023,867	(275,551)	10,882,729	3,464,814
Total primary government	\$ 6,338,225	\$ 9,104,075	\$ 4,610,596	\$ 2,775,344	\$ 3,563,119	\$ 1,586,437	\$ 2,347,692	\$ 2,942,497	\$ 10,112,321	\$ 6,900,807

CITY OF DANIA BEACH, FLORIDA  
FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

TABLE 3

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 4,473,579	\$ 5,693,502	\$ 5,466,808	\$ 2,974,916	\$ 8,925,423	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	16,162,869	21,487,742	20,591,407	23,291,728	13,177,602	-	-	-	-	-
Nonspendable	-	-	-	-	-	4,086,792	906,147	936,147	124,952	36,549
Restricted	-	-	-	-	-	411,886	329,498	635,544	699,319	860,150
Committed	-	-	-	-	-	913,808	-	-	125,051	128,567
Assigned	-	-	-	-	-	2,126,437	3,375,944	2,884,649	2,966,278	2,732,145
Unassigned	-	-	-	-	-	9,832,009	11,040,070	14,349,377	17,234,790	20,416,162
Total General Fund	<u>\$ 20,636,448</u>	<u>\$ 27,181,244</u>	<u>\$ 26,058,215</u>	<u>\$ 26,266,644</u>	<u>\$ 22,103,025</u>	<u>\$ 17,370,932</u>	<u>\$ 15,651,659</u>	<u>\$ 18,805,717</u>	<u>21,150,390</u>	<u>24,173,573</u>
All other government funds:										
Reserved	\$ 11,325,798	\$ 9,942,726	\$ 8,804,438	\$ 5,177,509	\$ 3,217,527	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	-	-	-	(100,210)	(1,277,415)	-	-	-	-	-
Capital projects funds	-	-	-	4,506,476	4,757,542	-	-	-	-	-
Restricted						1,850,398	2,204,824	1,495,442	1,797,320	2,376,070
Committed	-	-	-	-	-	694,796	2,482,732	1,836,528	2,591,068	7,619,905
Assigned	-	-	-	-	-	5,180,507	7,686,301	6,367,074	4,618,785	-
Unassigned	-	-	-	-	-	1,226,673	(1,970,335)	(2,983,873)	(180,049)	(88,798)
Total all other governmental funds	<u>\$ 11,325,798</u>	<u>\$ 9,942,726</u>	<u>\$ 8,804,438</u>	<u>\$ 9,583,775</u>	<u>\$ 6,697,654</u>	<u>\$ 8,952,374</u>	<u>\$ 10,403,522</u>	<u>\$ 6,715,171</u>	<u>\$ 8,827,124</u>	<u>\$ 9,907,177</u>

Note: Information for fiscal years 2013 to 2010 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

CITY OF DANIA BEACH, FLORIDA  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

TABLE 4

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>REVENUES:</b>										
Property taxes	\$ 15,731,757	\$ 17,691,570	\$ 17,452,748	\$ 16,798,253	\$ 16,750,836	\$ 15,872,847	\$ 15,604,005	\$ 15,467,882	\$ 16,135,270	\$ 16,650,291
Special assessments	2,642,546	2,955,494	2,542,334	2,772,620	2,789,488	3,937,523	4,082,820	4,065,279	5,052,071	5,081,535
Franchise fees	2,231,584	2,311,503	2,306,262	2,282,918	2,068,527	2,123,895	2,238,321	2,292,448	2,619,934	2,614,609
Utility taxes	3,965,173	4,013,192	4,332,499	4,212,067	4,364,708	4,288,639	4,300,248	4,617,269	3,543,297	3,582,609
Licenses and permits	1,845,354	1,780,133	1,730,787	2,922,086	1,871,371	1,968,915	2,188,191	3,280,797	3,301,706	4,195,456
Intergovernmental	3,164,473	3,443,954	3,357,296	3,148,474	3,054,591	3,189,370	3,494,027	3,669,786	5,165,694	5,379,885
Charges for services	3,313,012	3,782,429	3,985,026	4,090,731	3,916,010	3,235,985	3,277,333	3,455,651	3,582,482	3,669,894
Fines and forfeitures	542,642	794,496	796,864	455,100	562,067	445,980	738,356	376,050	461,816	565,491
Investment earnings	1,308,653	1,973,323	1,561,622	813,306	512,983	126,727	183,364	81,131	63,047	111,579
Grants	3,455,250	1,611,161	604,405	261,480	311,969	3,939,790	1,736,388	869,231	5,382,283	1,206,491
Contributions	13,017	13,740	10,270	18,660	7,811	3,540	-	-	-	-
Miscellaneous	985,318	1,146,056	1,145,949	1,416,883	1,164,276	1,577,817	2,313,528	4,687,533	3,748,933	1,944,997
<b>Total revenues</b>	<b>\$ 39,198,779</b>	<b>\$ 41,517,051</b>	<b>\$ 39,826,062</b>	<b>\$ 39,192,578</b>	<b>\$ 37,374,637</b>	<b>\$ 40,711,028</b>	<b>\$ 40,156,581</b>	<b>\$ 42,863,057</b>	<b>49,056,533</b>	<b>45,002,837</b>
<b>EXPENDITURES:</b>										
General government	\$ 9,848,697	7,863,133	8,334,222	8,604,488	8,483,735	9,021,525	7,586,634	6,541,309	6,091,785	5,787,355
Public safety	15,872,358	16,553,767	17,455,196	19,427,161	20,553,073	22,073,028	21,664,048	22,369,619	23,550,421	25,363,517
Highways and streets	1,256,702	2,591,656	1,855,391	1,511,723	1,684,765	1,487,793	2,048,198	3,190,349	1,621,968	1,599,671
Physical environment	2,169,996	2,319,206	2,415,094	2,659,401	2,750,208	2,700,705	2,826,999	2,857,462	3,502,300	3,697,428
Community redevelopment	2,793,542	2,947,011	3,392,049	661,950	1,315,063	1,668,422	2,635,972	6,671,194	3,288,017	3,534,196
Culture and recreation	35,890	-	231,915	2,971,721	3,468,938	3,119,180	4,780,910	3,154,702	6,297,054	2,897,830
Capital outlay	1,953,948	3,394,871	7,269,855	3,784,234	12,310,518	2,982,416	-	-	-	-
Debt service:										
Principal	1,075,765	1,008,070	1,015,193	911,489	905,491	1,095,106	1,042,551	3,066,126	1,065,831	6,300,947
Interest and fiscal charges	627,913	646,015	606,424	549,203	503,330	676,297	621,236	597,424	500,815	457,262
Bond issuance costs	-	-	-	-	25,000	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 35,634,811</b>	<b>\$ 37,323,729</b>	<b>\$ 42,575,339</b>	<b>\$ 41,081,370</b>	<b>\$ 52,000,121</b>	<b>\$ 44,824,472</b>	<b>\$ 43,206,548</b>	<b>\$ 48,448,185</b>	<b>\$ 45,918,191</b>	<b>\$ 49,638,206</b>

CITY OF DANIA BEACH, FLORIDA  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(continued)

TABLE 4 (Cont'd)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess (deficiency) of Revenues over										
expenditures	\$ 3,563,968	\$ 4,193,322	\$ (2,749,277)	\$ (1,888,792)	\$ (14,625,484)	\$ (4,113,444)	\$ (3,049,967)	\$ (5,585,130)	\$ 3,138,342	\$ (4,635,369)
OTHER FINANCING SOURCES (USES):										
Note proceeds	1,466,640	-	-	2,334,200	7,236,764	787,095	-	-	-	5,440,773
Debt issuance costs										(83,008)
Transfers in	2,722,391	4,599,943	8,882,030	4,730,472	12,029,648	6,553,593	13,214,460	13,145,974	10,642,062	8,548,499
Transfers out	(2,262,396)	(4,121,609)	(8,394,070)	(4,188,114)	(11,690,668)	(5,704,617)	(10,432,618)	(8,095,137)	(9,323,778)	(5,167,659)
Transfer from reserves	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-
Total other financing Sources (uses)	1,926,635	478,334	487,960	2,876,558	7,575,744	1,636,071	2,781,842	5,050,837	1,318,284	8,738,605
Net change in										
fund balances	\$ 5,490,603	\$ 4,671,656	\$ (2,261,317)	\$ 987,766	\$ (7,049,740)	\$ (2,477,373)	\$ (268,125)	\$ (534,293)	\$ 4,456,626	\$ 4,103,236
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURE	5.12%	5.12%	4.64%	3.97%	3.62%	4.22%	4.26%	8.18%	3.53%	15.76%



CITY OF DANIA BEACH, FLORIDA  
VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year Ended September 30,	Taxable Value of Personal and Real Property For Operating Purposes	Taxable Value of Centrally Assessed Property for Operating Purposes	Gross Taxable Value	Less Tax-Exempt Property	Total Taxable Assessed Value	Millage Rate
2006	\$ 2,943,575,427	\$ 2,246,537	\$ 2,945,821,964	\$ 460,996,268	\$ 2,484,825,696	6.5664
2007	3,459,245,548	2,489,914	3,461,735,462	475,243,055	2,986,492,407	6.2169
2008	3,779,716,562	2,687,574	3,782,404,136	472,937,316	3,309,466,820	5.5360
2009	3,769,003,270	3,461,076	3,772,464,346	629,905,002	3,142,559,344	5.5444
2010	3,559,009,784	2,943,777	3,561,953,561	622,764,458	2,939,189,103	6.1557
2011	3,266,278,557	2,370,745	3,268,649,302	579,843,129	2,688,806,173	6.2450
2012	3,208,220,545	2,426,840	3,210,647,385	583,229,819	2,627,417,566	6.2507
2013	3,172,675,082	2,244,996	3,174,920,078	575,693,985	2,599,226,093	6.2678
2014	3,312,446,134	2,562,196	3,315,008,330	565,619,140	2,749,389,190	6.2688
2015	3,477,989,835	3,044,295	3,481,034,130	588,004,832	2,893,029,298	6.2593

\* Annexation took place in November 2001.

Source: Broward County Property Appraiser (Form DR-403)

Notes: The Millage Rate is the rate used in the calculation for property taxes. One mil equals \$ 1 per \$ 1,000 of taxable value. A millage of 6.2593 which is the current rate in effect of the City of Dania Beach is equal to \$ 6.2593 per each \$ 1,000 of taxable value on real property.

CITY OF DANIA BEACH, FLORIDA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

TABLE 6

Fiscal Year	Basic Rate	Voted Debt Service	Total Direct	Broward County	Broward Country Schools	Children's Services Council	South Florida Water Management District	Florida Inland Navigation District	South Broward Hospital District	Total Direct and Overlapping
2006	6.3900	0.1764	6.5664	6.7830	8.0623	0.4231	0.6970	0.0385	1.4500	24.0203
2007	6.0679	0.1490	6.2169	6.0661	7.8687	0.4073	0.6970	0.0385	1.3300	22.6245
2008	5.4044	0.1316	5.5360	5.2868	7.6484	0.3572	0.6240	0.0345	1.1643	20.6512
2009	5.4044	0.1400	5.5444	5.3145	7.4170	0.3754	0.6240	0.0345	1.1913	20.5011
2010	6.0043	0.1514	6.1557	5.2163	7.4310	0.4243	0.6240	0.0345	1.2732	21.1590
2011	5.9998	0.2452	6.2450	5.5530	7.6310	0.4696	0.6240	0.0345	1.2732	21.8303
2012	5.9998	0.2509	6.2507	5.5530	7.4180	0.4789	0.4363	0.0345	0.7500	20.9214
2013	5.9998	0.2680	6.2678	5.5530	7.4560	0.4902	0.4289	0.0345	0.6000	20.8304
2014	5.9998	0.2690	6.2688	5.7230	7.4800	0.4882	0.4110	0.0345	0.4000	20.8055
2015	5.9998	0.2595	6.2593	5.7230	7.4380	0.4882	0.3842	0.0345	0.1863	20.5135

Source: Broward County Property Appraiser

Notes: The Millage Rate is the rate used in the calculation for property taxes. One mil equals \$ 1 per \$ 1,000 of taxable value. A millage of 6.2593 which is the current rate in effect of the City of Dania Beach is equal to \$ 6.2593 per each \$ 1,000 of taxable value on real property.

CITY OF DANIA BEACH, FLORIDA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO

TABLE 7

	2015			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
FLORIDA POWER & LIGHT CO	\$ 333,556,655	1	12.41%	\$ 256,720,371	1	23.54%
DESIGN CENTER OF THE AMERICAS	55,831,730	2	2.08%	54,596,350	2	5.01%
CITY OF DANIA BEACH	19,988,660	10	0.74%	8,715,920	10	0.80%
SOUTH FLORIDA MATERIALS	37,886,785	3	1.41%	-	-	0.00%
AQUA ISLES OWNER LLC	22,138,630	7	0.82%	-	-	0.00%
DCOTA DEV CO LTD PRTNR	21,168,270	8	0.79%	20,526,340	5	1.88%
EC- DANIA BEACH CLUB LLC	23,444,790	5	0.87%	-	-	0.00%
EMERALD PALMS APTS LTD PRTNR	-	-	0.00%	14,670,032	9	1.35%
INLAND SOUTHEAST DANIA LLC	-	-	0.00%	21,048,000	4	1.93%
COHEN DANIA BEACH HOTEL LLC	20,448,990	9	0.76%	-	-	0.00%
SCHOOL BOARD OF BROWARD COUNTY	28,228,240	4	1.05%	-	-	0.00%
BROWARD COUNTY BOARD OF COUNTY COMMISSIONERS	23,369,450	6	0.87%	-	-	0.00%
FT LAUDERDALE OWNER LLC	-	-	0.00%	23,162,630	3	2.12%
EQR-PARADISE POINTE VISTAS INC	-	-	0.00%	15,006,803	8	1.38%
SHERIDAN EAST APTS LTD	-	-	0.00%	18,544,152	7	1.70%
SLT DANIA LLC	-	-	0.00%	20,347,440	6	1.87%
Total	<u>\$ 586,062,200</u>		21.80%	<u>\$ 453,338,038</u>		41.58%

Source: Broward County Revenue Collection Division

(1) Property values assessed as of January 1, 2015

(2) Property values assessed as of January 1, 2005

CITY OF DANIA BEACH, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

TABLE 8

Fiscal Year Ended September 30,	Collected within the Fiscal Year of the Levy				Total Collections to Date		
	Taxes Levied for the Year	Amount	Percentage of the Levy	Collections in Subsequent Years	Amount	Percentage of the Levy	
2006	\$ 16,120,249	\$ 5,665,362	97.18%	\$ 66,395	\$ 15,731,757	97.59%	
2007	18,400,743	17,593,792	95.61%	97,778	17,691,570	96.15%	
2008	18,556,030	17,332,196	93.40%	120,552	17,452,748	94.05%	
2009	17,488,859	16,530,749	94.52%	267,504	16,798,253	96.05%	
2010	17,978,399	15,735,773	87.53%	1,015,063	16,750,836	93.17%	
2011	16,654,408	14,973,597	89.91%	899,250	15,872,847	95.31%	
2012	16,112,498	14,824,418	92.01%	779,588	15,604,005	96.84%	
2013	16,141,294	14,886,515	92.23%	581,367	15,467,882	95.83%	
2014	16,850,215	15,617,070	92.68%	518,200	16,135,270	95.76%	
2015	17,474,301	16,124,560	92.28%	525,731	16,650,291	95.28%	

Source: Broward County Revenue Collector

CITY OF DANIA BEACH, FLORIDA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

TABLE 9

Fiscal Year	Governmental Activities				Business-Type Activities				Total Government	Per Capita For Government Activities*	Per Customer for Business Activities**
	Sales Tax Revenue Bonds	General Obligation Bonds	Notes Payable	Capital Leases Payable	Capital Leases Payable	Sewer Revenue Bonds	Notes Payable	State Revolving Loan Payable			
2006	\$ 2,605,000	\$ 6,660,000	\$ 5,306,033	-	\$ 365,253	-	\$ 116,037	\$ 792,805	\$ 15,845,128	523	193
2007	2,450,000	6,535,000	4,667,951	-	205,265	-	89,378	6,271,030	20,218,624	469	1,353
2008	2,360,000	6,405,000	4,037,556	-	40,470	-	68,190	7,804,090	20,715,306	441	1,676
2009	2,270,000	6,270,000	5,725,739	-	-	-	51,740	7,499,601	21,817,081	502	1,684
2010	2,175,000	9,630,000	7,786,925	1,005,855	-	-	34,549	8,489,981	29,122,310	727	1,814
2011	2,075,000	9,430,000	7,091,636	1,795,014	-	-	16,605	11,652,178	32,060,433	689	2,483
2012	1,970,000	9,230,000	6,438,646	1,605,454	-	-	-	13,919,426	33,163,526	644	2,962
2013	1,615,000	8,595,000	5,944,144	1,415,894	-	-	2,673,790	13,648,761	33,892,589	581	3,473
2014	1,455,000	8,295,000	5,585,553	1,226,334	-	-	2,598,790	13,754,837	32,915,514	546	3,479
2015	1,305,000	8,375,773	5,243,729	1,036,775	-	-	2,205,000	14,547,371	32,713,648	525	3,564

\* Total debt for Governmental Activities reflected as a percentage of personal income is 1.52%.

\*\*The majority of outstanding debt for Business-Type Activities is applicable to only 15.7% of the City's overall population.

CITY OF DANIA BEACH, FLORIDA  
RATIOS OF GENERAL BONDED DEBT  
LAST SEVEN FISCAL YEARS

TABLE 10

Fiscal Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value	Per Capita
2008	\$ 6,405,000	\$ 6,405,000	0.1935%	220
2009	6,270,000	6,270,000	0.1995%	221
2010	9,630,000	9,630,000	0.3276%	340
2011	9,430,000	9,430,000	0.3507%	319
2012	9,230,000	9,230,000	0.3513%	309
2013	8,595,000	8,595,000	0.3307%	284
2014	8,295,000	8,295,000	0.3017%	273
2015	8,510,773	8,510,773	0.2942%	278

Note: There were no General Obligation Bonds outstanding prior to fiscal year 2005.

CITY OF DANIA BEACH, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
September 30, 2015

TABLE 11

GOVERNMENTAL UNIT:	Debt Outstanding (1)	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Broward County General Obligation Debt	\$ 25,642,000	1.825%	\$ 467,976
Other debt:			
Broward County Revenue Bonds	33,210,000	1.825%	606,095
Broward County COP Debt	-	1.825%	-
Broward County Other Debt	122,900	1.825%	2,243
School Board of Broward County COP Debt	1,731,132	1.887%	32,667
School Board of Broward County Other Debt	77,820	1.887%	1,468
Subtotal, overlapping debt			1,110,450
City direct debt	\$ 17,570,038	100.000%	17,570,038
Total direct and overlapping debt			\$ 18,680,488

Source: Broward County and the School Board of Broward County

- (1) The percentage of overlapping debt applicable is using taxable assessed property values. Taxable value that is within the City's boundaries is divided by the County and School Board's total taxable assessed value (Source: Form DR-420)

CITY OF DANIA BEACH, FLORIDA  
LEGAL DEBT MARGIN INFORMATION

TABLE 12

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit:									
Long-term revenue bonds	\$ 3,225,000	\$ 3,225,000	\$ 3,225,000	\$ 3,225,000	\$ 3,225,000	\$ 3,255,000	\$ 3,255,000	\$ 3,255,000	\$ 3,255,000
Promissory Notes	3,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total debt limit	6,225,000	9,225,000	9,225,000	9,225,000	9,225,000	9,255,000	9,255,000	9,255,000	9,255,000
Applicable debt – revenue bonds									
Applicable debt – promissory notes	2,965,000	2,900,000	2,835,000	2,685,000	2,605,000	2,450,000	2,360,000	2,270,000	2,175,000
	2,216,146	5,215,562	4,709,759	4,541,793	5,306,033	4,667,951	4,037,556	5,725,739	2,721,816
Total net debt									
Applicable to limit	5,181,146	8,115,562	7,544,759	7,226,793	7,911,033	7,117,951	6,397,556	7,995,739	4,896,816
Legal debt margin	\$ 1,043,854	\$ 1,109,438	\$ 1,680,241	\$ 1,998,207	\$ 1,313,967	\$ 2,137,049	\$ 2,857,444	\$ 1,259,261	\$ 4,358,184
Total net debt applicable to the limit as a percentage of debt limit	83.23%	87.97%	81.79%	78.34%	85.76%	77.16%	69.13%	86.39%	52.91%

Note: The State of Florida does not have a legal debt limit for General Obligation Bonds.

Note: In FY 2011 the City adopted a Management Debt Policy and repealed the City's legal debt limit ordinance.



CITY OF DANIA BEACH, FLORIDA  
 PLEDGED REVENUE COVERAGE -  
 ELECTRIC UTILITY TAX  
 LAST SEVEN FISCAL YEAR

TABLE 13

Fiscal Year Ended September 30,	Electric Utility Tax	Principal	Interest	Total Debt Service	Debt Coverage
2009	\$ 2,058,835	\$ 95,273	\$ 44,058	\$ 139,331	14.78
2010	2,251,162	100,800	38,597	139,397	16.15
2011	2,284,989	106,648	32,675	139,323	16.40
2012	2,284,368	112,835	26,560	139,395	16.39
2013	2,497,523	119,382	20,014	139,397	17.92
2014	2,744,101	126,309	13,049	139,358	19.69
2015	2,750,822	133,637	5,698	139,335	19.74

Note: Electric utility tax revenues were not pledged to any outstanding debt prior to fiscal year 2006.

CITY OF DANIA BEACH, FLORIDA  
 PLEDGED REVENUE COVERAGE –  
 ELECTRIC FRANCHISE FEES  
 LAST TEN FISCAL YEARS

TABLE 14

Fiscal Year Ended September 30,	Electric Utility Tax	Principal	Interest	Total Debt Service	Debt Coverage
2005	\$ 1,872,196	\$ 271,126	\$ 94,727	\$ 365,853	5.12
2006	2,197,867	282,633	83,220	365,853	6.01
2007	2,268,676	294,635	71,218	365,853	6.20
2008	2,270,251	291,711	58,853	350,564	6.48
2009	2,246,823	288,864	46,411	335,275	6.70
2010	2,041,381	284,649	32,811	317,460	6.43
2011	2,022,391	312,718	23,384	336,103	6.02
2012	1,950,481	275,608	6,473	282,081	6.91
2013	1,949,911	34,975	865	35,841	54.40

Note: Electric franchise fees revenues were not pledged to any outstanding debt in 2014.

CITY OF DANIA BEACH, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

TABLE 15

Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal (2)	School Enrollment (3)	Unemployment Rate (4)
2006	28,555	\$ 69,718,514	\$ 39,511	2,434	3.8
2007	29,524	71,994,871	41,169	2,011	4.5
2008	29,098	73,590,969	41,974	2,110	6.8
2009	28,391	72,752,112	41,185	1,951	10.7
2010	28,331	72,731,461	41,511	1,914	11.7
2011	29,596	76,133,577	42,768	1,905	9.6
2012	29,873	78,687,882	43,351	1,778	7.7
2013	30,233	80,525,783	43,792	1,627	7.3
2014	30,351	80,905,552	43,283	1,603	6.1
2015	30,644	N/A	N/A	1,503	5.6

Sources:

- (1) Bureau of Economic and Business Research, University of Florida.
- (2) Bureau of Economic Analysis, U.S. Department of Commerce. Information was not available at the City level. Totals are for all of Broward County.
- (3) School Board of Broward County. 20th day counts.
- (4) Bureau of Labor Statistics, U.S. Department of Labor.  
Miami-Ft. Lauderdale-Pompano Beach, FL Metropolitan Statistical Area (Not Seasonally Adjusted)
- N/A Information is not available

CITY OF DANIA BEACH, FLORIDA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND SEVEN YEARS AGO

TABLE 16

Taxpayer	2015			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Publix Supermarkets, Inc.	307	2	1.954%	599	1	3.749%
Bass Pro Shops - Outdoor World	373	1	2.374%	250	3	1.565%
School Board of Broward County	211	3	1.343%	277	2	1.734%
City of Dania Beach	122	6	0.777%	187	7	1.170%
Dania Jai-Alai	94	7	0.598%	190	6	1.189%
Kenan Transport	2	9	0.013%	148	9	0.926%
Uniweld Products, Inc.	173	4	1.101%	192	5	1.202%
American Maritime Officers	150	5	0.955%	152	8	0.951%
Boomers	-	10	0.000%	140	10	0.876%
Wyndham Hotel	-	-	0.000%	200	4	1.252%
Sheraton Ft. Lauderdale Airport	20	8	0.127%	132	-	0.826%
Total	1,452		9.242%	2,467		15.441%

Note: Data for the nine years preceeding the current period is not attainable.

CITY OF DANIA BEACH, FLORIDA  
CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

TABLE 17

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FUNCTION/PROGRAM:										
General government:										
Management	14.00	15.50	17.18	18.20	16.00	15.50	15.50	15.50	16.50	16.50
Finance	8.00	9.00	9.00	8.00	8.00	9.00	8.00	9.00	9.00	10.00
Human resources	4.00	4.00	3.00	3.00	3.50	3.50	2.50	2.50	2.50	2.50
Community development	15.00	15.00	14.00	12.00	11.00	10.00	10.00	10.00	10.00	10.00
Public safety /Code	65.00	70.00	70.00	70.00	68.00	77.00	10.00	9.00	10.50	10.50
Highways and streets	10.00	10.00	10.00	9.00	9.00	8.00	7.00	8.00	8.00	8.00
Physical environment	13.00	13.00	13.00	12.00	12.00	15.62	12.45	11.45	12.45	14.45
Culture and recreation	22.40	25.40	24.02	22.60	20.06	20.34	20.19	22.09	21.09	22.10
Water	14.50	14.50	14.50	14.50	14.50	14.75	16.95	16.95	16.95	17.95
Sewer	7.50	7.50	7.50	7.50	7.50	7.75	5.05	5.05	5.05	4.05
Stormwater	5.00	5.00	5.00	5.00	5.00	5.50	6.55	6.55	5.55	5.55
Total	<u>178.40</u>	<u>188.90</u>	<u>187.20</u>	<u>181.80</u>	<u>174.56</u>	<u>186.96</u>	<u>114.19</u>	<u>116.09</u>	<u>117.59</u>	<u>121.60</u>

Notes:

- (1) Prior to fiscal year 2004, no part-time positions were included. After fiscal year 2004, part time positions are reported as full-time equivalents.
- (2) Part-time equivalent to full-time positions are not available prior to fiscal year 2004.
- (3) Beginning in fiscal year 2006, Building Official and Plumbing Inspector positions are contracted with Broward County.
- (4) Beginning in fiscal year 2009, the Business Tax Division was reclassified from Community Development to the Code Compliance Unit.
- (5) Beginning in fiscal year 2011, the Fire Department positions are contracted with BSO.

CITY OF DANIA BEACH, FLORIDA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

TABLE 18

	2006	2007	2008	2009	2010	2011	2012	2013	2013	2014	2015
FUNCTION/PROGRAM:											
Police:											
Physical arrests	2,637	4,039	2,853	1,873	1,777	1,180	3,700	1,343	1,343	1,492	1,240
Parking violations	210	108	3,282	1,693	602	204	40	69	69	n/a	46
Traffic violations	14,280	9,405	7,489	6,285	4,060	4,575	4,106	3,377	3,377	4,541	5,659
Fire protection/prevention:											
Emergency responses	7,679	7,618	6,776	6,298	7,479	5,099	4,844	6,249	6,249	6,176	6,338
Fires extinguished											
(approx.)	186	326	148	173	116	1,493	N/A	N/A	N/A	N/A	47
Fire inspections	2,057	4,020	3,087	3,125	3,360	3,010	1,802	1,830	1,830	3,124	1,647
Community development:											
Building permits issued	4,710	3,626	2,829	2,386	1,876	2,448	2,094	2,758	2,758	2,514	2,514
Building permits											
construction value	54,620,835	72,941,115	72,313,828	100,586,870	19,031,723	32,610,526	32,780,227	85,945,041	85,945,041	37,857,133	101,960,569
Number of cited code violations	1,744	2,854	2,539	2,366	1,931	1,792	612	538	538	1,642	663
Public works:											
Miles of roads resurfaced	12	15	5	4	4	-	-	-	-	-	4
Potholes repaired	12	12	12	12	12	336	680	823	823	560	250
Parks and recreation:											
Facility rentals	3,415	7,648	10,721	9,977	8,975	10,500	10,000	9,000	9,000	10,500	140
Parks/sports attendance	11,345	27,399	34,572	26,710	25,975	57,500	55,227	58,398	58,398	71,048	4,500
Programs attendance	11,995	8,540	15,587	38,013	21,960	13,910	6,730	15,060	15,060	14,385	11,850
Water:											
Average daily consumption											
(thousands of gallons)	2,640	2,218	2,061	2,260	2,293	2,230	1,875	1,926	1,926	1,889	1,891
Peak daily consumption											
(thousands of gallons)	3,030	2,700	2,342	2,670	2,679	2,860	3,600	2,640	2,640	2,235	2,361
Sewer:											
Average daily sewage treatment											
(thousands of gallons)	3,102	3,203	3,150	3,312	3,518	3,240	3,200	3,325	3,325	3,417	3,200

CITY OF DANIA BEACH, FLORIDA  
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

TABLE 19

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FUNCTION/PROGRAM:										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire protection:										
Stations	2	2	2	2	2	2	2	2	2	2
Rescue units	9	9	9	8	8	4	4	4	4	2
Public works:										
Streets (miles)	150.4	150.4	150.4	150.4	150.4	150.4	150.4	97	97	97
Length of sidewalks	61.9	61.9	61.9	61.9	61.9	61.9	61.9	86	86	87
Parks and recreation:										
Parks acreage	56.63	56.63	56.63	56.63	56.63	56.63	56.63	56.5	60.56	60
Baseball diamonds	7	7	7	7	7	7	6	5	6	6
Community centers	4	4	4	4	5	5	4	5	5	5
Water:										
Length of water mains (miles)	68.23	68.23	70.58	70.58	70.58	70.58	76	76.06	76	76
Sewer/stormwater:										
Length of sewer mains (miles)	43.60	43.60	43.60	43.60	43.60	44	44	46	46	46
Length of storm drains (miles)	14.30	14.30	14.30	14.30	14.30	14	14	15	15	15

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## **COMPLIANCE SECTION**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of the City Commission  
City of Dania Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dania Beach, Florida (the City), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's, basic financial statements, and have issued our report thereon dated May 20, 2016. Our report includes a reference to other auditors who audited the financial statements of the Police Officers and Firefighters Pension Trust Funds, as described in our report on City's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
May 20, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133

To the Honorable Mayor and Members City Commission  
City of Dania Beach, Florida

**Report on Compliance for Each Major Federal Program**

We have audited City of Dania Beach, Florida (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
May 20, 2016

CITY OF DANIA BEACH, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended September 30, 2015

Federal Agency Pass-through Entity Federal Program	CFDA Number	Contract / Grant Number	Expenditures
<b>FEDERAL AGENCY NAME:</b>			
Direct Programs:			
United States Department of Homeland Security-			
Federal Emergency Management Agency			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2013-FH-00510	972,003.67
Indirect Programs:			
United States Department of Housing & Urban Development -			
Passed through Broward County			
Community Development Block Program			
CDBG Year 39 - Oasis Project (\$155,442)	14.218		115,736.40
Wastewater Treatment and Stormwater Management TF			
Passed through the State of Florida			
Department of Environmental Protection			
Statewide Surface Water Restoration and Wastewater Projects			
State Revolving Funds	37.077	SW061200	495,631.33
Total Expenditures of Federal Awards			<u><u>1,583,371.40</u></u>

See Notes to the Schedule of Expenditures of Federal Awards.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended September 30, 2015

**NOTE 1—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Dania Beach, Florida (the City) under programs of the federal government for the year ended September 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in Net Position, or cash flows of the City .

**NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.



## **I - SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Dania beach, Florida .
2. No material weaknesses disclosed during the audit of the financial statements were reported in the report on internal control over financial reporting and on compliance .
3. No instances of noncompliance material to the financial statements of the City of Dania Beach, Florida were disclosed during the audit.
4. No material weaknesses in internal control over major federal award programs disclosed during the audit were reported in the report on compliance for each major program and on internal control over compliance required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the City of Dania Beach, Florida expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 in this schedule.
7. The programs tested as major programs were:
  - CFDA 97.083 Staffing for Adequate Fire and Emergency Response (SAFER)
  - CFDA 37.077 EPA Statewide Surface Water Restoration and Wastewater Projects
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The City of Dania Beach, Florida was determined to be a low-risk auditee.

## **II – FINDINGS FINANCIAL STATEMENT AUDIT**

**Prior year**

NONE

**Current year**

NONE

## **III – FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**Prior Year**

NONE

**Current year**

NONE

To the Honorable Mayor and City Commission  
City of Dania Beach, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the City of Dania Beach, Florida, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated May 20, 2016.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

### **Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 20, 2016, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report, (except as noted below under the heading Prior Year Findings and Recommendations.

## **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. All related disclosures have been made in the notes to the financial statements.

## **Financial Condition**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

## **Annual Financial Report**

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

## **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Commissioners, Council Members and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*HCT Certified Public Accountants & Consultants, LLC*

May 20, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

To the Honorable Mayor and City Commission  
City of Dania Beach, Florida

We have audited the financial statements of the City of Dania Beach, Florida (the City) as of and for the year ended September 30, 2015, and have issued our report thereon dated May 20, 2016. We did not audit the financial statements of the City of Dania Beach's Police Officers' and Firefighters' Pension Plan which represents 55 percent, of the total assets and net position and 76% of revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the fiduciary funds, is based solely on the report of the other auditors.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; (if applicable) OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.550, Rules of the Florida Auditor General.

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; (as applicable) Schedule of Findings and Questioned Costs; the Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General and the management letter in accordance with the rules of the Auditor General of the State of Florida. Disclosures in those reports and schedule, which are dated May 20, 2015, should be considered in conjunction with this report.

**Local Government Investment Policies**

We have examined the City's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015. This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
May 20, 2016